

Jackson Parish School Board

Jonesboro, Louisiana



Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date JAN 25 2012

Annual Financial Report

As of and for the year ended June 30, 2011

**Jackson Parish School Board
Jonesboro, Louisiana**

**Annual Financial Report
As of and for the Year Ended June 30, 2011**

Jackson Parish School Board

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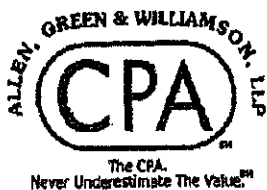
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Jackson Parish School Board

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INDEPENDENT AUDITORS' REPORT

Board Members

Jackson Parish School Board
Jonesboro, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Jackson Parish School Board, as of and for the year ended June 30, 2011, which collectively comprise the Jackson Parish School Board's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the School Board's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Board's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Jackson Parish School Board, as of June 30, 2011, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2011, on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis, the Schedule of Funding Progress, and the Budgetary Comparison Schedule, as listed in the table of contents, are not a required part of the basic financial statements but are supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Board's basic financial statements. The accompanying supplemental information, as listed in the table of contents, and the Schedule of Expenditures of Federal Awards, as required by OMB Circular A-133, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The information identified in the table of contents as other information is presented for purposes of additional analysis and is not a required part of the basic financial statements of the School Board. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe Louisiana
December 21, 2011

REQUIRED SUPPLEMENTAL INFORMATION:

**MANAGEMENT'S DISCUSSION
AND ANALYSIS (MD&A)**

Jackson Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2011

Our discussion and analysis of Jackson Parish School Board's financial performance provides an overview of the School Board's financial activities for the fiscal year ended June 30, 2011. Please read it in conjunction with the School Board's financial statements which follow this Management's Discussion and Analysis.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments issued June 1999.

FINANCIAL HIGHLIGHTS The primary resources available to the School Board are local revenues which are primarily tax receipts, state revenues which are primarily minimum foundation funding and cost reimbursement grants, and federal revenues which are primarily cost reimbursement grants.

FUND FINANCIAL STATEMENTS The fund balances of all governmental funds decreased \$1,650,841. The fund balance of the general fund decreased \$648,150.

Overall revenues decreased \$3,308,486 from the 2010 school year in the General Fund. Sales tax decreased \$3,308,580 from 2010 to 2011 mainly due to economic conditions and unfavorable sales tax disbursements.

Expenditures increased \$804,008 in the General Fund from what was spent in 2010. The increase in expenditures was mainly due to increase in retirement premiums, insurance premiums, and teacher step up in the salary schedule.

QSCB 2011 Series Construction fund is a new fund which accounts for new Qualified School Construction Bonds proceeds received during the 2010-2011 year in which fund balance increased \$2,470,734.

Weston QSCB Construction fund accounts for the Qualified School Construction Bonds for construction projects, in which fund balance decreased \$3,336,826 due to completing more construction in progress during the current year.

Other governmental fund balances decreased \$136,599 due mainly to increase in retirement premiums, insurance premiums, and teacher step up in the salary schedule.

USING THIS ANNUAL REPORT The School Board's annual report consists of a series of financial statements that show information for the School Board as a whole, its funds, and its fiduciary responsibilities. The Statement of Net Assets and the Statement of Activities provide information about the activities of the School Board as a whole and present a longer-term view of the School Board's finances. Our fund financial statements are included later in this report. For our governmental activities, these statements tell how we financed our services in the short-term as well as what remains for future spending. Fund statements also may give you some insights into the School Board's overall financial health. Fund financial statements also report the School Board's operations in more detail than the government-wide financial statements by providing information about the School Board's most significant funds, the General Fund, QSCB 2011 Series Construction, and Weston QSCB Construction. The remaining statement - the Statement of Fiduciary Net Assets presents financial information about activities for which the School Board acts solely as an agent for the benefit of students and parents.

**Jackson Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2011**

Annual Financial Report

Required Supplemental Information

Management's Discussion & Analysis (MD&A)

Basic Financial Statements

**Government-wide
Financial Statements**



**Fund
Financial Statements**

Notes to the Basic Financial Statements

Required Supplemental Information

**Schedule of Funding Progress
Budgetary Comparison Information for Major Funds**

Supplemental Information

**Nonmajor Funds Combining Statements
Agency Funds Statements/Schedules
Schedule of Compensation Paid Board Members**

Our auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance is being provided by the auditor regarding the Required Supplemental Information and the Supplemental Information identified above. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

Reporting the School Board as a Whole

The Statement of Net Assets and the Statement of Activities

Our analysis of the School Board as a whole begins with the government-wide financial statements. One of the most important questions asked about the School Board is, "Is the School Board as a whole better off or worse off financially as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities, which appear first in the School Board's financial statements, report information on the School Board as a whole and its activities in a way that helps you answer this question. We prepare these statements to include all assets and liabilities, using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Jackson Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2011

These two statements report the School Board's net assets - the difference between assets and liabilities, as reported in the Statement of Net Assets - as one way to measure the School Board's financial health, or financial position. Over time, increases or decreases in the School Board's net assets - as reported in the Statement of Activities - are one indicator of whether its financial health is improving or deteriorating. The relationship between revenues and expenses is the School Board's operating results. However, the School Board's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other nonfinancial factors, such as the quality of the education provided and the safety of the schools to assess the overall health of the School Board.

The Statement of Net Assets and Statement of Activities report the following activity for the School Board:

Governmental activities - All of the School Board's services are reported here, including instruction, plant services, transportation, and food services. Property taxes, sales taxes, Minimum Foundation Program funds, and state and federal grants finance most of these activities.

Reporting the School Board's Most Significant Funds

Fund Financial Statements

The School Board's fund financial statements provide detailed information about the most significant funds - not the School Board as a whole. Some funds are required to be established by State law and by bond covenants. However, the School Board establishes many other funds to help it control and manage money for particular purposes (like the School Food Service) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like grants the School Board receives from the U.S. Department of Education). The School Board's governmental funds use the following accounting approach:

Governmental funds - All of the School Board's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year-end that are available for spending. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School Board's operations and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School Board's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in reconciliation on Statements D and F.

The School Board as Trustee

Reporting the School Board's Fiduciary Responsibilities

The School Board is the trustee, or fiduciary, for its student activities funds and scholarship fund. All of the School Board's fiduciary activities are reported in the Statements of Fiduciary Net Assets. We exclude these activities from the School Board's other financial statements because the School Board cannot use these assets to finance its operations. The School Board is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Jackson Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2011

THE SCHOOL BOARD AS A WHOLE The School Board's net assets were \$17,315,457 at June 30, 2011. Of this amount \$7,449,057 was unrestricted. Restricted net assets are reported separately to show legal constraints from debt covenants and enabling legislation that limit the School Board's ability to use those net assets for day-to-day operations. Our analysis below focuses on the net assets, (Table 1) and the change in net assets (Table 2) of the School Board's governmental activities.

Table 1
Net Assets
June 30,

| | <u>Governmental Activities</u> | | |
|---|--------------------------------|----------------------|-----------------------|
| | <u>2011</u> | <u>2010</u> | <u>Variance</u> |
| Current and other assets | \$ 22,793,571 | \$ 23,559,202 | \$ (765,631) |
| Capital assets | 11,305,520 | 8,154,694 | 3,150,826 |
| Total assets | <u>34,099,091</u> | <u>31,713,896</u> | <u>2,385,195</u> |
| Current and other liabilities | 3,338,813 | 2,490,951 | 847,862 |
| Long-term liabilities | 13,444,821 | 10,720,781 | 2,724,040 |
| Total liabilities | <u>16,783,634</u> | <u>13,211,732</u> | <u>3,571,902</u> |
| Net assets | | | |
| Invested in capital assets, net of related debt | 6,346,266 | 5,434,452 | 911,814 |
| Restricted | 3,520,134 | 4,875,623 | (1,355,489) |
| Unrestricted | 7,449,057 | 8,192,089 | (743,032) |
| Total net assets | <u>\$ 17,315,457</u> | <u>\$ 18,502,164</u> | <u>\$ (1,186,707)</u> |

The \$7,449,057 in unrestricted net assets of governmental activities represents accumulated results of all past year's operations. It means that if the School Board had to pay off all of its bills today including all of its noncapital liabilities such as compensated absences, there would be \$7,449,057 left.

The net assets of the School Board decreased by \$1,186,707 which was mainly due to the net increase of the OPEB liability for the 2010-2011 year.

The results of this year's operations for the School Board as a whole are reported in the Statement of Activities. Table 2 on the next page, takes the information from that statement and rearranges it slightly so that readers can see total revenues for the year.

Jackson Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2011

Table 2
Changes in Net Assets
For the Years Ended June 30,

| | <u>Governmental Activities</u> | | |
|--|--------------------------------|----------------------------|------------------------------|
| | <u>2011</u> | <u>2010</u> | <u>Variance</u> |
| Net Assets - beginning | \$18,502,164 | \$15,449,795 | \$ 3,052,369 |
| Revenues: | | | |
| Program revenues | | | |
| Charges for services | 274,424 | 260,500 | 13,924 |
| Operating grants and contributions | 3,035,244 | 3,658,688 | (623,444) |
| General Revenues | | | |
| Ad valorem taxes | 5,360,520 | 4,912,642 | 447,878 |
| Sales taxes | 6,267,649 | 9,576,229 | (3,308,580) |
| State equalization | 10,189,057 | 9,958,361 | 230,696 |
| Other general revenues | 973,333 | 791,860 | 181,473 |
| Total revenues | <u>26,100,227</u> | <u>29,158,280</u> | <u>(3,058,053)</u> |
| Functions/Program Expenses: | | | |
| Instruction | | | |
| Regular programs | 11,263,141 | 10,692,774 | 570,367 |
| Special programs | 2,580,438 | 2,983,458 | (403,020) |
| Other instructional programs | 1,819,670 | 1,683,487 | 136,183 |
| Support services | | | |
| Student services | 1,088,823 | 1,088,424 | 399 |
| Instructional staff support | 1,673,164 | 1,606,544 | 66,620 |
| General administration | 1,001,230 | 906,492 | 94,738 |
| School administration | 1,247,588 | 1,256,629 | (9,041) |
| Business services | 494,293 | 467,714 | 26,579 |
| Plant services | 2,435,961 | 1,976,084 | 459,877 |
| Student transportation services | 1,806,382 | 1,659,161 | 147,221 |
| Food Services | 1,753,231 | 1,665,806 | 87,425 |
| Interest on long-term debt | 123,013 | 119,338 | 3,675 |
| Total expenditures | <u>27,286,934</u> | <u>26,105,911</u> | <u>1,181,023</u> |
| Increase (decrease) in net assets | <u>(1,186,707)</u> | <u>3,052,369</u> | <u>(4,239,076)</u> |
| Net Assets - ending | <u><u>\$17,315,457</u></u> | <u><u>\$18,502,164</u></u> | <u><u>\$ (1,186,707)</u></u> |

Governmental Activities In the table below we have presented the cost of each of the School Board's six largest functions - regular programs, special programs, other instructional programs, plant services, student transportation and food services, as well as each program's net cost (total cost less revenues generated by the activities). Net cost shows the financial burden that was placed on the School Board's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

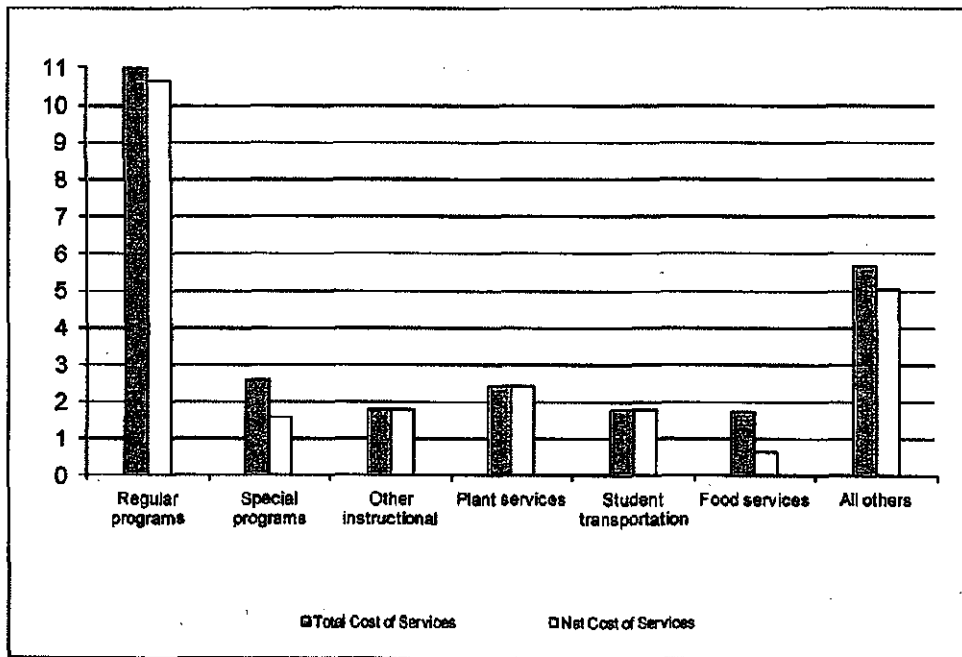
Jackson Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2011

Table 3
Cost of Services
For the Years Ended June 30,

Governmental Activities

| | <u>Total Cost of Services</u> | | | <u>Net Costs of Services</u> | | |
|------------------------|--------------------------------------|----------------------|---------------------------------|-------------------------------------|---------------------|---------------------------------|
| | 2011 | 2010 | Percentage of Change | 2011 | 2010 | Percentage of Change |
| Regular programs | \$11,263,141 | \$ 10,692,774 | 5.3 | \$ 10,666,728 | \$10,085,203 | 5.8 |
| Special programs | 2,580,438 | 2,983,458 | (13.5) | 1,594,305 | 1,505,358 | 5.9 |
| Other instructional | 1,819,670 | 1,683,487 | 8.1 | 1,782,074 | 1,627,543 | 9.5 |
| Plant services | 2,435,961 | 1,976,084 | 23.3 | 2,425,900 | 1,916,704 | 26.6 |
| Student transportation | 1,806,382 | 1,659,161 | 8.9 | 1,798,441 | 1,607,795 | 11.9 |
| Food services | 1,753,231 | 1,665,806 | 5.2 | 660,974 | 561,620 | 17.7 |
| All others | 5,628,111 | 5,445,141 | 3.3 | 5,048,844 | 4,882,500 | 3.4 |
| Totals | \$27,286,934 | \$ 26,105,911 | 4.5 | \$ 23,977,266 | \$22,186,723 | 8.1 |

2011
Total Cost of Services
Versus
Net Cost of Services



Jackson Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2011

THE SCHOOL BOARD'S FUNDS As we noted earlier, the School Board uses funds to help it control and manage money for particular purposes. Looking at funds helps you consider whether the School Board is being accountable for the resources taxpayers and others provide to it but may also give you more insight into the School Board's overall financial health.

General Fund Budgetary Highlights As mentioned earlier the School Board revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. (A schedule showing the School Board's original and final budgets compared with actual results is provided in the required supplemental information section of this report.)

The original amount available for appropriations was increased by \$288,818. The amount budgeted at the beginning of the year for MFP is based upon the prior year amount received for MFP. Several factors during the year can affect the final allocation of MFP funds released from the state in January. The revised budget presented to the board was a decrease of \$79,203. The School Board also budgets ad valorem and sales taxes based upon the amount that was received the prior year and this year we had a significant decrease in sales taxes. The revised budget presented to the board was a decrease of \$813,476 for sales taxes. However, the beginning fund balance was corrected which resulted in an increase of \$1,536,476. However, budgeted revenues were still greater than actual revenues by \$909,510, which was due mainly to a decrease in sales taxes received and transfers in.

The budgeted expenditures were increased \$2,197,656 mainly due to Construction and renovation, and salaries and benefit increases in the current year when compared to the previous year. However, budgeted expenditures exceeded actual expenditures by \$1,490,762 due to management cutting cost due to unfavorable economic conditions.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets At June 30, 2011, the School Board had \$11,305,520 invested in a broad range of capital assets, including land, construction in progress, buildings, and furniture and equipment. This amount represents a net increase (including additions, deductions and depreciation) of \$3,150,826 or approximately 38.6% from last year. The School Board completed a treatment sewer plant classified as an addition to infrastructure during the current year.

**Capital Assets at
June 30,**

| | <u>Governmental Activities</u> | |
|--------------------------|--------------------------------|---------------------|
| | <u>2011</u> | <u>2010</u> |
| Land | \$ 148,650 | \$ 148,650 |
| Construction in progress | 3,292,356 | 1,025,822 |
| Infrastructure | 489,411 | - |
| Land improvements | 154,920 | - |
| Buildings | 6,117,765 | 5,952,008 |
| Furniture and equipment | 1,102,418 | 1,028,214 |
| Totals | <u>\$11,305,520</u> | <u>\$ 8,154,694</u> |

More information on capital assets is included in Note 5 of the Notes to the Basic Financial Statements.

Jackson Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2011

Debt Administration At June 30, 2011, the School Board had \$840,000 in general obligation bonds outstanding with maturity of 2014 and interest rates ranging from 0.10% to 5.50% and Qualified School Construction Bonds (QSCB) of \$5,600,000 and \$2,500,000 with maturities of 2024 and 2025. Under state statute, the School Board is legally restricted from incurring long-term bonded debt in excess of 35% of the assessed value of taxable property. At June 30, 2011, the School Board's net bonded debt was \$0. (Total bonded debt of \$840,000 less fund balance in debt service funds of \$1,166,813).

| | <u>2011</u> | <u>2010</u> | <u>Ratio of Debt to Assessed Value</u> |
|---|-------------|------------------|--|
| Net direct general obligation bonded debt | <u>\$0</u> | <u>\$241,971</u> | <u>0%</u> |

The School Board's long-term liabilities at June 30, 2011 also included Certificate of Indebtedness in the amount of \$170,500, OPEB liability of \$3,931,135, compensated absences of \$267,391, litigation liability of \$125,000, and claim and judgments payable of \$10,795.

More information on long-term debt is included in Note 11 of the Notes to the Basic Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS The Jackson Parish School Board does not anticipate any significant changes to the budgets for fiscal year 2011-2012.

CONTACTING THE SCHOOL BOARD'S FINANCIAL MANAGEMENT Our financial report is designed to provide our citizens, taxpayers, parents, students, and investors and creditors with a general overview of the School Board's finances and to show the School Board's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact the Business Manager at Jackson Parish School Board, P. O. 705, Jonesboro, Louisiana 71251-0705, telephone number (318) 259-4456.

Jackson Parish School Board

BASIC FINANCIAL STATEMENTS:

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

JACKSON PARISH SCHOOL BOARD

STATEMENT OF NET ASSETS

June 30, 2011

Statement A

**GOVERNMENTAL
ACTIVITIES**

ASSETS

| | |
|---------------------------------------|--------------------------|
| Cash and cash equivalents | \$ 21,062,196 |
| Receivables (net) | 1,648,661 |
| Inventory | 18,366 |
| Other assets - deposits | 50 |
| Bond issuance costs | 64,298 |
| Capital assets, not being depreciated | |
| Land and construction in progress | 3,441,006 |
| Capital assets, net of depreciation | |
| Buildings, furniture and equipment | <u>7,864,514</u> |
| TOTAL ASSETS | <u>34,089,091</u> |

LIABILITIES

| | |
|---------------------------------------|--------------------------|
| Accounts, salaries and other payables | 3,255,435 |
| Claims payable | 7,861 |
| Interest payable | 15,932 |
| Retainage payable | 54,268 |
| Deferred revenue | 5,317 |
| Long-term liabilities | |
| Due within one year | 1,178,055 |
| Due in more than one year | <u>12,266,766</u> |
| TOTAL LIABILITIES | <u>16,783,634</u> |

NET ASSETS

| | |
|---|-----------------------------|
| Invested in capital assets, net of related debt | 6,346,266 |
| Restricted for: | |
| Child nutrition program | 150,086 |
| Debt service | 1,150,881 |
| Capital projects | 65,344 |
| Salaries and maintenance | 2,153,823 |
| Unrestricted | <u>7,449,057</u> |
| TOTAL NET ASSETS | <u>\$ 17,315,457</u> |

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

JACKSON PARISH SCHOOL BOARD

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2011

Statement B

| FUNCTIONS/PROGRAMS | PROGRAM REVENUES | | | NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS |
|--|------------------|-------------------------|--|--|
| | EXPENSES | CHARGES FOR SERVICES | OPERATING GRANTS AND CONTRIBUTIONS | |
| <i>Governmental activities:</i> | | | | |
| <i>Instruction:</i> | | | | |
| Regular programs | \$ 11,263,141 | \$ 0 | \$ 596,413 | \$ (10,666,728) |
| Special programs | 2,580,438 | | 986,133 | (1,594,305) |
| Other instructional programs | 1,819,670 | | 37,596 | (1,782,074) |
| <i>Support services:</i> | | | | |
| Student services | 1,088,823 | | 116,941 | (971,882) |
| Instructional staff support | 1,673,164 | | 322,399 | (1,350,765) |
| General administration | 1,001,230 | | 132,610 | (868,620) |
| School administration | 1,247,588 | | 5,488 | (1,242,100) |
| Business services | 494,293 | | 1,829 | (492,464) |
| Plant services | 2,435,961 | | 10,061 | (2,425,900) |
| Student transportation services | 1,806,382 | | 7,941 | (1,798,441) |
| Food services | 1,753,231 | 274,424 | 817,833 | (660,974) |
| Interest on long-term debt | 123,013 | 0 | 0 | (123,013) |
| Total Governmental Activities | 27,286,934 | 274,424 | 3,035,244 | (23,977,266) |
| <i>General revenues:</i> | | | | |
| <i>Taxes:</i> | | | | |
| Property taxes, levied for general purposes | | | | 5,360,520 |
| Sales taxes | | | | 6,267,649 |
| State revenue sharing | | | | 72,885 |
| Grants and contributions not restricted to specific programs | | | | |
| Minimum Foundation Program | | | | 10,189,057 |
| Education Jobs Grant | | | | 467,307 |
| Interest and investment earnings | | | | 174,768 |
| Miscellaneous | | | | 258,373 |
| Total general revenues | | | | 22,790,559 |
| Changes in net assets | | | | (1,186,707) |
| Net assets - beginning | | | | 18,502,164 |
| Net assets - ending | | | | <u>\$ 17,315,457</u> |

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Jackson Parish School Board

BASIC FINANCIAL STATEMENTS:

FUND FINANCIAL STATEMENTS (FFS)

JACKSON PARISH SCHOOL BOARD

GOVERNMENTAL FUNDS

Balance Sheet
June 30, 2011

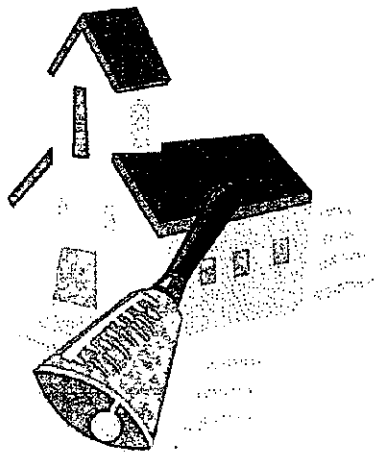
| | <u>GENERAL</u> | <u>QSCB 2011 SERIES CONSTRUCTION</u> | <u>WESTON QSCB CONSTRUCTION</u> |
|--|----------------------|--|-------------------------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 14,868,544 | \$ 2,500,256 | \$ 2,374,869 |
| Receivables | 982,774 | 0 | 0 |
| Interfund receivables | 519,002 | 0 | 0 |
| Inventory | 0 | 0 | 0 |
| Other assets - deposits | 50 | 0 | 0 |
| TOTAL ASSETS | <u>16,370,370</u> | <u>2,500,256</u> | <u>2,374,869</u> |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities: | | | |
| Accounts, salaries and other payables | 2,351,753 | 29,522 | 640,089 |
| Retainage payable | 0 | 0 | 54,268 |
| Claims payable | 7,861 | 0 | 0 |
| Interfund payables | 137,853 | 0 | 0 |
| Deferred revenue | 0 | 0 | 0 |
| Total Liabilities | <u>2,497,467</u> | <u>29,522</u> | <u>694,357</u> |
| Fund Balances: | | | |
| Nonspendable | 0 | 0 | 0 |
| Restricted | 2,153,823 | 2,470,734 | 1,880,512 |
| Unassigned | 11,719,080 | 0 | 0 |
| Total Fund Balances | <u>13,872,903</u> | <u>2,470,734</u> | <u>1,680,512</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 16,370,370</u> | <u>\$ 2,500,256</u> | <u>\$ 2,374,869</u> |

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Statement C

| OTHER | | |
|---------------------|------------------|----------------------|
| GOVERNMENTAL | | TOTAL |
| \$ | 1,318,527 | \$ 21,062,196 |
| | 665,887 | 1,648,661 |
| | 137,853 | 656,855 |
| | 18,366 | 18,366 |
| | 0 | 50 |
| <hr/> | | |
| | 2,140,633 | 23,386,128 |
| <hr/> | | |
| | 234,071 | 3,255,435 |
| | 0 | 54,268 |
| | 0 | 7,861 |
| | 519,002 | 656,855 |
| | 5,317 | 5,317 |
| <hr/> | | |
| | 758,380 | 3,979,736 |
| <hr/> | | |
| | 18,366 | 18,366 |
| | 1,363,877 | 7,668,946 |
| | 0 | 11,719,080 |
| <hr/> | | |
| | 1,382,243 | 19,406,392 |
| <hr/> | | |
| \$ | 2,140,633 | \$ 23,386,128 |
| <hr/> | | |

Jackson Parish School Board



JACKSON PARISH SCHOOL BOARD

**Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Assets
June 30, 2011**

Statement D

Total fund balances - governmental funds \$ 19,406,392

The cost of capital assets (land, buildings, furniture and equipment) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Assets includes those capital assets among the assets of the School Board as a whole. The cost of those capital assets allocated over their estimated useful lives (as depreciation expense) to the various programs reported as governmental activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in governmental funds.

| | | |
|------------------------------|---------------------|------------|
| Costs of capital assets | \$ 34,587,281 | |
| Depreciation expense to date | <u>(23,281,741)</u> | |
| | | 11,305,520 |

Long-term liabilities applicable to the School Board's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long term - are reported in the Statement of Net Assets.

Balances at June 30, 2011 are:

| | |
|---------------------|----------|
| Interest payable | (15,932) |
| Bond issuance costs | 64,298 |

Long-term liabilities:

| | | |
|-------------------------------|-----------------|---------------------|
| Bonds payable | (840,000) | |
| Certificate of Indebtedness | (170,500) | |
| QSCB series 2009 payable | (5,600,000) | |
| QSCB series 2011 payable | (2,500,000) | |
| OPEB liability | (3,931,135) | |
| Compensated absences payable | (267,391) | |
| Litigation payable | (125,000) | |
| Workers' compensation payable | <u>(10,795)</u> | |
| | | <u>(13,396,455)</u> |

| | |
|------------|----------------------|
| Net Assets | <u>\$ 17,315,457</u> |
|------------|----------------------|

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

JACKSON PARISH SCHOOL BOARD

**GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2011**

| | GENERAL | QSCB 2011 SERIES CONSTRUCTION | WESTON QSCB CONSTRUCTION |
|--|-------------------|--|-------------------------------------|
| REVENUES | | | |
| Local sources: | | | |
| Taxes: | | | |
| Ad valorem | \$ 5,007,333 | \$ 0 | \$ 0 |
| Sales and use | 6,267,649 | 0 | 0 |
| Interest earnings | 134,670 | 4,181 | 31,861 |
| Food services | 0 | 0 | 0 |
| Other | 257,198 | 0 | 0 |
| State sources: | | | |
| Equalization | 10,011,357 | 0 | 0 |
| Other | 163,129 | 0 | 0 |
| Federal sources | 1,216 | 0 | 0 |
| Total Revenues | 21,842,552 | 4,181 | 31,861 |
| EXPENDITURES | | | |
| Current: | | | |
| Instruction: | | | |
| Regular programs | 9,486,758 | 0 | 0 |
| Special programs | 2,151,906 | 0 | 0 |
| Other instructional programs | 813,972 | 0 | 0 |
| Support services: | | | |
| Student services | 878,189 | 0 | 0 |
| Instructional staff support | 1,192,555 | 0 | 0 |
| General administration | 828,340 | 29,522 | 0 |
| School administration | 1,102,652 | 0 | 0 |
| Business services | 472,320 | 0 | 0 |
| Plant services | 2,349,970 | 0 | 0 |
| Student transportation services | 1,658,375 | 0 | 0 |
| Food services | 426,072 | 0 | 0 |
| Capital outlay | 322,116 | 1,675 | 3,362,850 |
| Debt service: | | | |
| Principal retirement | 0 | 0 | 0 |
| Interest and bank charges | 0 | 2,250 | 5,837 |
| Total Expenditures | 21,683,225 | 33,447 | 3,368,687 |
| EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES | \$ 159,327 | \$ (29,266) | \$ (3,336,826) |

Statement E

| OTHER | | | |
|---------------------|--|-----------------------|--|
| GOVERNMENTAL | | TOTAL | |
| \$ | | \$ | |
| 353,187 | | 5,360,520 | |
| 0 | | 6,267,649 | |
| 4,056 | | 174,768 | |
| 274,424 | | 274,424 | |
| 1,740 | | 258,938 | |
| 177,700 | | 10,189,057 | |
| 137,278 | | 300,407 | |
| 3,273,813 | | 3,275,029 | |
| 4,222,198 | | 28,100,792 | |
| 687,305 | | 10,174,063 | |
| 220,680 | | 2,372,586 | |
| 895,772 | | 1,709,744 | |
| 131,104 | | 1,009,293 | |
| 380,414 | | 1,572,969 | |
| 154,912 | | 1,012,774 | |
| 47,524 | | 1,150,178 | |
| 5,940 | | 478,260 | |
| 29,702 | | 2,379,672 | |
| 49,218 | | 1,707,593 | |
| 1,226,099 | | 1,652,171 | |
| 85,766 | | 3,772,407 | |
| 1,127,080 | | 1,127,080 | |
| 124,758 | | 132,845 | |
| 5,166,274 | | 30,251,633 | |
| \$ (944,076) | | \$ (4,150,841) | |

(CONTINUED)

JACKSON PARISH SCHOOL BOARD

**GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2011**

| | <u>GENERAL</u> | <u>QSCB 2011 SERIES CONSTRUCTION</u> | <u>WESTON QSCB CONSTRUCTION</u> |
|--------------------------------------|-----------------------------|--|-------------------------------------|
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | \$ 0 | \$ 0 | \$ 0 |
| Transfers out | (807,477) | 0 | 0 |
| Bond proceeds | 0 | 2,500,000 | 0 |
| Total Other Financing Sources (Uses) | <u>(807,477)</u> | <u>2,500,000</u> | <u>0</u> |
| Net Change in Fund Balances | (648,150) | 2,470,734 | (3,336,826) |
| FUND BALANCES - BEGINNING | <u>14,521,053</u> | <u>0</u> | <u>5,017,338</u> |
| FUND BALANCES - ENDING | <u><u>\$ 13,872,903</u></u> | <u><u>\$ 2,470,734</u></u> | <u><u>\$ 1,680,512</u></u> |

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Statement E

| OTHER | | TOTAL | |
|---------------------|------------------|--------------|--------------------|
| GOVERNMENTAL | | | |
| \$ | 1,230,977 | \$ | 1,230,977 |
| | (423,500) | | (1,230,977) |
| | 0 | | 2,500,000 |
| <hr/> | | <hr/> | |
| | 807,477 | | 2,500,000 |
| <hr/> | | <hr/> | |
| | (136,599) | | (1,650,841) |
| <hr/> | | <hr/> | |
| | 1,518,842 | | 21,057,233 |
| <hr/> | | <hr/> | |
| \$ | 1,382,243 | \$ | 19,406,392 |
| <hr/> | | <hr/> | |

(CONCLUDED)

JACKSON PARISH SCHOOL BOARD

**Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
to the Statement of Activities
For the Year Ended June 30, 2011**

Statement F

Total net change in fund balances - governmental funds \$ (1,650,841)

Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital assets in the period:

| | | |
|------------------------------------|------------------|-----------|
| Capital outlays | \$ 3,772,407 | |
| Depreciation expense | <u>(621,016)</u> | |
| | | 3,151,391 |
| Loss on disposal of capital assets | | (565) |

The issuance of long-term debt provides current financial resources of governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.

| | |
|--------------------------|-------------|
| Receipt of bond proceeds | (2,500,000) |
| Repayment of bond debt | 1,127,080 |

Governmental funds report the effects of debt issuance costs and similar items when debt is first issued, where as these amounts are deferred and amortized in the Statement of Activities.

| | |
|--|--------|
| Bond issuance costs, net of amortization | 27,516 |
|--|--------|

Increase in OPEB liability, in which is reported in the Statement of Activities and not reported as expenditures in governmental funds. (1,488,991)

In the Statement of Activities, certain operating expenses-compensated absences (vacations and sick leave) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, vacation and sick time used (\$451,439) was greater than the amounts earned (\$214,524) by \$236,915.

236,915

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

| | |
|--|-----------|
| (Increase) Reduction of incurred but not reported workers' compensation claims | 25,956 |
| (Increase) Reduction of litigation payable | (125,000) |

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

9,832

Change in net assets of governmental activities. \$ (1,186,707)

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

JACKSON PARISH SCHOOL BOARD
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
June 30, 2011

Statement G

| | <u>PRIVATE PURPOSE TRUST</u> | <u>AGENCY FUNDS</u> |
|---------------------------|--------------------------------------|-------------------------|
| <u>ASSETS</u> | | |
| Cash and cash equivalents | \$ 118,308 | \$ 331,681 |
| Investments | 125,000 | 0 |
| Total assets | <u>243,306</u> | <u>331,681</u> |
| <u>LIABILITIES</u> | | |
| Due to student groups | <u>0</u> | <u>331,681</u> |
| Total liabilities | <u>0</u> | <u>331,681</u> |
| <u>NET ASSETS</u> | | |
| Unreserved, undesignated | <u>243,306</u> | <u>0</u> |
| Total net assets | <u><u>\$ 243,306</u></u> | <u><u>\$ 0</u></u> |

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

JACKSON PARISH SCHOOL BOARD

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
For the Year Ended June 30, 2011

Statement H

PRIVATE
PURPOSE
TRUST

ADDITIONS

Earnings on investments
Other revenue

\$ 2,867
11,500

Total additions

14,367

DEDUCTIONS

Regular instruction

10,875

Changes in net assets

3,492

Net assets - beginning

239,814

Net assets - ending

\$ 243,306

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Jackson Parish School Board
June 30, 2011

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Jackson Parish School Board
Notes to the Basic Financial Statements
June 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES The accompanying basic financial statements of the Jackson Parish School Board have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

REPORTING ENTITY The Jackson Parish School Board was created by Louisiana Revised Statute LSA-R.S. 17:51 to provide public education for the children within Jackson Parish. The School Board is authorized by LSA-R.S. 17:81 to establish policies and regulations for its own government consistent with the laws of the state of Louisiana and the regulations of the Louisiana Board of Elementary and Secondary Education. The School Board is comprised of seven members who are elected from ten districts for terms of four years.

The School Board operates five schools within the parish with a total enrollment of approximately 2,264 pupils. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

GASB Statement 14 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this statement, the School Board is considered a primary government since it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement 14, fiscally independent means that the School Board may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The School Board also has no component units, defined by GASB Statement 14 as other legally separate organizations for which the elected School Board members are financially accountable. There are no other primary governments with which the School Board has a significant relationship.

B. FUNDS The School Board uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. Funds of the School Board are classified into two categories: governmental and fiduciary. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Governmental Funds Governmental funds account for all or most of the School Board's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. The School Board reports the following major governmental funds:

General fund the general operating fund of the School Board accounts for all financial resources, except those required to be accounted for in other funds.

OSCB 2011 Series Construction accounts for the construction projects from the receipt of the Qualified School Construction Bond funds in 2011.

Weston OSCB Construction accounts for the construction projects from the receipt of the Qualified School Construction Bond funds in 2010.

Jackson Parish School Board
Notes to the Basic Financial Statements
June 30, 2011

Fiduciary Funds Fiduciary funds account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the School Board.

Fiduciary funds include:

J. Allen Memorial Scholarship Expendable Trust Fund - accounted for essentially in the same manner as governmental funds. The resources, including both principal and earnings, may be expended. This scholarship trust fund was created from contributions and memorials from the family and friends of the late I. J. Allen.

School activities agency fund - accounts for assets held by the School Board as an agent for the individual schools and school organizations.

Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Government-Wide Financial Statements (GWFS) The Statement of Net Assets and the Statement of Activities displays information about the reporting government as a whole. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level.

The Statement of Net Assets and the Statement of Activities was prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 Accounting and Financial Reporting for Nonexchange Transactions.

Program revenues Program revenues include 1) charges for services provided, 2) operating grants and contributions, and 3) capital grants and contributions; program revenues reduce the cost of the function to be financed from the School Board's general revenues. Charges for services are primarily derived from cafeteria sales. Operating grants and contributions consist of the many educational grants received from the federal and state government.

Allocation of indirect expenses The School Board reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately in the Statement of Activities.

Fund Financial Statements (FFS)

Governmental Fund Types The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Jackson Parish School Board
Notes to the Basic Financial Statements
June 30, 2011

With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Entitlements and shared revenues (which include state equalization and state revenue sharing) are recorded as unrestricted grants-in-aid at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Other receipts become measurable and available when cash is received by the School Board and are recognized as revenue at that time.

Ad valorem taxes are recognized when all applicable eligibility requirements are met and the resources are available.

Sales taxes are recognized when the underlying exchange transaction occurs and the resources are available.

Expenditures

Salaries are recorded as paid. Salaries for nine-month employees are accrued at June 30.

Other Financing Sources (Uses) Transfers between funds that are not expected to be repaid (or other types, such as sale of fixed assets, debt extinguishments, and long-term debt proceeds) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

Fiduciary Funds Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of outside parties, including other governments, or on behalf of other funds within the School Board. Fiduciary funds are accounted for using the accrual basis of accounting.

Trust Funds account for assets held by the government under the terms of a normal trust agreement.

Agency Funds are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. This fund is used to account for assets that the government holds for others in an agency capacity.

D. CASH AND CASH EQUIVALENTS Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the School Board may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the School Board may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less they are classified as cash equivalents and are stated at cost.

E. INVESTMENTS Investments are limited by R.S. 33:2955 and the School Board's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

Jackson Parish School Board
Notes to the Basic Financial Statements
June 30, 2011

The investments are reflected at fair value except for the following which are required/permitted as per GASB Statement No. 31:

1. Investments in nonparticipating interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.
2. The School Board reported at amortized cost money market investments and participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less.

Definitions:

Interest-earning investment contracts include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

Money market investments are short-term, highly liquid debt instruments that include U. S. Treasury obligations.

F. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as interfund receivables/payables on the balance sheet. Short-term interfund loans are also classified as interfund receivables/ payables.

G. ELIMINATION AND RECLASSIFICATIONS In the process of aggregating data for the statement of net assets and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

H. INVENTORY AND PREPAID EXPENSES Inventory items are expensed as purchased except for inventory of the school food service fund. Inventory of the school food service special revenue fund consists of food purchased by the School Board and commodities granted by the United States Department of Agriculture through the Louisiana Department of Agriculture and Forestry. The commodities are recorded as revenues when received; however, all inventory items are recorded as expenditures when purchased unused commodities at June 30 are reported as deferred revenues. All purchased inventory items are valued at cost using first-in, first-out, FIFO, and commodities are assigned values based on information provided by the United States Department of Agriculture.

Certain payments to vendors reflect cost applicable to future accounting periods and are reported as prepaid items.

I. CAPITAL ASSETS Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed and depreciated over their estimated useful lives (including salvage value). The capitalization threshold is \$5,000. Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

| | |
|-------------------------|---------------|
| Infrastructure | 30 years |
| Land improvements | 40 years |
| Buildings | 10 - 40 years |
| Furniture and equipment | 3 - 10 years |
| Intangibles-software | 5 years |

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J. DEFERRED REVENUES The School Board reports deferred revenues on its combined balance sheet. Deferred revenues arise when resources are received by the School Board before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the School Board has a legal claim to the resources, the liability for deferred revenue from the combined balance sheet is removed and the revenue is recognized.

K. COMPENSATED ABSENCES All 12-month employees earn ten days of vacation leave each year. Vacation leave cannot be accumulated. Upon separation of employment, all unused vacation leave is forfeited.

All School Board employees earn from ten to eighteen days of sick leave each year, depending upon the length of service. Sick leave can be accumulated without limitation. Upon retirement or death, unused accumulated sick leave of up to twenty-five days is paid to the employee or to the employee's estate at the employee's current rate of pay. Under the Louisiana Teachers' Retirement System, and the Louisiana School Employees' Retirement System, all unpaid sick leave is used in the retirement benefit computation as earned service.

The School Board's recognition and measurement criteria for compensated absences follow:

GASB Statement 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

- A. The employees' rights to receive compensation are attributable to services already rendered.
- B. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

GASB Statement 16 provides that a liability for sick leave should be accrued using one of the following termination approaches:

- A. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals. The School Board uses this approach and bases the calculation on employees with a minimum year experience level of twenty years.
- B. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

L. LONG-TERM LIABILITIES For government-wide reporting, the costs associated with the bonds are recognized over the life of the bond. As permitted by GASB Statement No. 34 the amortization of the cost of bonds will be amortized prospectively from the date of adoption of GASB Statement No. 34.

For fund financial reporting, bond premiums and discounts, as well as issuance costs are recognized in the period the bonds are issued. Bond proceeds are reported as another financial source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt-service expenditures.

**Jackson Parish School Board
Notes to the Basic Financial Statements
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M. RESTRICTED NET ASSETS For the government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either:

- Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;
- Imposed by law through constitutional provisions or enabling legislation.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed. The restricted assets listed in the Statement of Net Assets are restrictions imposed by law through constitutional provisions or enabling legislation.

N. FUND EQUITY OF FUND FINANCIAL STATEMENTS The School Board implemented GASB 54 *Fund Balance Reporting and Governmental Fund Type Definitions* for the year ended June 30, 2011. GASB 54 requires the fund balance amounts to be reported within the fund balance categories as follows:

Non-spendable: Fund balance that is not in spendable form or legally or contractually required to be maintained intact. This category includes items that are not easily converted to cash such as inventories and prepaid items.

Restricted: Fund balance that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Committed: Fund balance that can only be used for specific purposes determined by the School Board's highest level of decision making authority. Committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action it employed to previously commit the funds. Committed fund balance is the result of either a policy of the School Board or motions were passed at a School Board meeting committing the funds. The motions passed are usually the result of budget revisions.

Assigned: Fund balance that is constrained by the School Board's intent to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by the Board or Finance Committee.

Unassigned: Fund balance that is the residual classification for the general fund.

The School Board reduces committed amounts, followed by assigned amounts and then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used. The School Board has no formal minimum fund balance policy; however, the informal amount for minimum balance has been an amount equal to three months of expenditures.

O. INTERFUND ACTIVITY Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

Jackson Parish School Board
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P. SALES TAX On April 22, 1969, the voters of Jackson Parish approved a one percent sales and use tax within the parish. The proceeds from the tax are to be used for the payment of salaries and for expenses of operating schools.

On April 3, 1982, the voters of Jackson Parish approved an additional one percent sales and use tax within the parish (outside the corporate limits of the town of Jonesboro). The proceeds from the tax are to be used fifty percent for constructing or improving schools and the remaining for any lawful purposes of the Board.

On March 20, 2000, a six-tenth of one percent sales and use tax was approved within the parish. The proceeds from the tax are to be used for salaries and benefits for teachers and other employees.

These taxes are collected by the Jackson Parish Sales Tax Collection Agency.

Q. BUDGET

General Budget Practices The School Board follows these procedures in establishing the budgetary data reflected in the combined financial statements:

State statute requires budgets to be adopted for the general fund and all special revenue funds.

Each year prior to September, the Superintendent submits to the Board proposed annual budgets for the general fund and special revenue funds' budgets that are not grant oriented. Public hearings are conducted, prior to the Board's approval, to obtain taxpayer comments. Grant funds are included in special revenue funds and their budgets are adopted at the time the grant applications are approved by the governor. The operating budgets include proposed expenditures and the means of financing them.

Appropriations (unexpended budget balances) lapse at year-end.

Formal budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the function level. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments. These revisions were considered insignificant by the Board.

Encumbrances Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed. However, outstanding purchase orders are taken into consideration before expenditures are incurred in order to assure that applicable appropriations are not exceeded.

Budget Basis of Accounting All governmental funds' budgets are prepared on the modified accrual basis of accounting, a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Budgeted amounts are originally adopted or amended by the Board. Legally, the Board must adopt a balanced budget; that is, total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the Board to amend its budgets when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures within a fund are expected to exceed budgeted expenditures by five percent or more. The School Board approves budgets at the function level and management can transfer amounts between line items within a function.

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Notes to the Basic Financial Statements
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R. USE OF ESTIMATES The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 2-LEVIED TAXES The School Board levies taxes on real and business personal property located within Jackson Parish's boundaries. Property taxes are levied by the School Board on property values assessed by the Jackson Parish Tax Assessor and approved by the State of Louisiana Tax Commission.

The Jackson Parish Sheriff's Office bills and collects property taxes for the School Board. Collections are remitted to the School Board monthly.

Property Tax Calendar

| | |
|-------------------------------------|---------------------|
| Millage rates adopted | June 7, 2010 |
| Levy date | January 1, 2010 |
| Tax bills mailed | October 15-31, 2010 |
| Due date | December 31, 2010 |
| Lien date | January 1, 2011 |
| Tax sale - 2010 delinquent property | May 20, 2011 |

Assessed values are established by the Jackson Parish Tax Assessor each year on a uniform basis at the following ratios of assessed value to fair market value:

| | |
|------------------------------|---|
| 10% land | 15% machinery |
| 10% residential improvements | 15% commercial improvements |
| 15% industrial improvements | 25% public service properties, excluding land |

A revaluation of all property is required after 1978 to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2008. Total assessed value was \$224,380,110 for calendar year 2010. Louisiana state law exempts the first \$75,000 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$19,154,680 of the assessed value for calendar year 2010.

State law requires the sheriff to collect property taxes in the calendar year in which the assessment is made. Property taxes become delinquent January 1 of the following year. If taxes are not paid by the due date, taxes bear interest at the rate of 1.25% per month until the taxes are paid. After notice is given to the delinquent taxpayers, the sheriff is required by the *Constitution of the State of Louisiana* to sell the least quantity of property necessary to settle the taxes and interest owed.

All property taxes are recorded in the general, special revenue maintenance funds and sinking funds on the basis explained in Note 1. Revenues in such funds are recognized in the accounting period in which an enforceable legal claim arises. Estimated uncollectible taxes are those taxes based on past experience which will not be collected in the subsequent year and are primarily due to subsequent adjustments to the tax roll.

The tax roll is prepared by the parish tax assessor in October of each year. The collection of the 2010 property taxes occurs in December 2010, and January and February of 2011. The School Board considers the lien date of January 1, 2011 as the legally enforceable date. Accordingly, the 2010 property taxes are recorded in the 2010-2011 fiscal year.

Jackson Parish School Board
Notes to the Basic Financial Statements
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Historically, virtually all ad valorem taxes receivable are collected since they are secured by property. Therefore, there is no allowance for uncollectible taxes.

The following is a summary of authorized and levied (tax rate per \$1,000 Assessed Value) ad valorem taxes:

| | <u>Authorized Millage</u> | <u>Levied Millage</u> | <u>Expiration Date</u> |
|---|-------------------------------|---------------------------|----------------------------|
| Parish-wide taxes: | | | |
| Constitutional | 5.00 | 4.40 | Statutory |
| Parish-wide additional support | 7.70 | 7.41 | 2013 |
| Parish-wide maintenance and operations | 7.78 | 6.50 | 2019 |
| Parish-wide additional maintenance and operations | 5.37 | 5.17 | 2016 |
| District taxes: | | | |
| Jonesboro Hodge District | 8.00 | 8.00 | 2013 |

NOTE 3 - DEPOSITS

Deposits are stated at cost which approximates fair value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal bank agent. The fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Interest Rate Risk: The School Board's policy does not address interest rate risk.

Credit Risk: The School Board's invests in Certificates of Deposits which do not have credit ratings; however, the School Board's policy does not address credit rate risk.

Custodial Credit Risk: At year-end, the School Board's carrying amount of deposits was \$21,637,183 (including \$168,063 in certificate of deposits) and the bank balance was \$23,166,153. These deposits are reported as follows: Statement A - cash and cash equivalents, \$21,062,196, and Statement G - cash and cash equivalents, \$449,987 and Statement G - certificate of deposits classified as investments of \$125,000.

Of the bank balance, \$3,074,079 was covered by federal depository insurance or by collateral held by the School Board's agent in the School Board's name (GASB Category 1). The remaining balance of \$20,092,074 was collateralized with securities held by the pledging financial institution's trust department or agent but not in the School Board's name. Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the School Board that the fiscal agent has failed to pay deposited funds upon demand. The School Board's policy does not address custodial credit risk.

Jackson Parish School Board
Notes to the Basic Financial Statements
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NOTE 4 - RECEIVABLES The balance of receivables at June 30, 2011, is as follows. The School Board expects to collect the full amount; therefore, no allowance for doubtful accounts has been established.

| | General | Other Governmental | Total |
|-----------------------------|-------------------|-----------------------|---------------------|
| Intergovernmental - grants: | | | |
| Federal | \$ - | \$ 656,016 | \$ 656,016 |
| State | 41,726 | 9,871 | 51,597 |
| Local sources: | | | |
| Sales tax | 924,670 | - | 924,670 |
| Other | 16,378 | - | 16,378 |
| Total | <u>\$ 982,774</u> | <u>\$ 665,887</u> | <u>\$ 1,648,661</u> |

No allowance for doubtful accounts has been recorded as these receivables are expected to be collected in full.

NOTE 5 - CAPITAL ASSETS Capital asset balances and activity for the year ended June 30, 2011 is as follows:

| | Balance Beginning | Additions | Deletions | Balance Ending |
|-------------------------------------|----------------------|---------------------|---------------------|---------------------|
| Governmental activities | | | | |
| Nondepreciable capital assets | | | | |
| Land | \$ 148,650 | \$ - | \$ - | \$ 148,650 |
| Construction in Progress | 1,025,822 | 3,451,248 | 1,184,714 | 3,292,356 |
| Total nondepreciable capital assets | 1,174,472 | 3,451,248 | 1,184,714 | 3,441,006 |
| Depreciable capital assets | | | | |
| Infrastructure | - | 497,004 | - | 497,004 |
| Land improvements | - | 156,058 | - | 156,058 |
| Buildings | 26,718,667 | 545,622 | - | 27,264,289 |
| Furniture and equipment | 2,940,614 | 307,189 | 18,899 | 3,228,904 |
| Total depreciable capital assets | 29,659,281 | 1,505,873 | 18,899 | 31,146,255 |
| Less accumulated depreciation | | | | |
| Infrastructure | - | 7,593 | - | 7,593 |
| Land improvements | - | 1,138 | - | 1,138 |
| Buildings | 20,766,659 | 379,865 | - | 21,146,524 |
| Furniture and equipment | 1,912,400 | 232,420 | 18,334 | 2,126,486 |
| Total accumulated depreciation | 22,679,059 | 621,016 | 18,334 | 23,281,741 |
| Depreciable capital assets, net | 6,980,222 | 884,857 | 565 | 7,864,514 |
| Governmental activities | | | | |
| Capital assets, net | <u>\$ 8,154,694</u> | <u>\$ 4,336,105</u> | <u>\$ 1,185,279</u> | <u>\$11,305,520</u> |

**Jackson Parish School Board
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Depreciation expense was charged to governmental activities as follows:

| | |
|----------------------------|-------------------|
| Regular programs | \$ 547,752 |
| Special programs | 9,365 |
| Student Transportation | 8,347 |
| Food Services | 11,857 |
| School Administration | 30,334 |
| Other Instructional | 13,361 |
| Total depreciation expense | <u>\$ 621,016</u> |

NOTE 6 - RETIREMENT SYSTEMS

Plan description Substantially all School Board employees participate in either the Teachers' Retirement System or the School Employees' Retirement System (the Systems), which are cost-sharing, multiple-employer public employee retirement systems (PERS). Benefit provisions are ultimately approved and amended by the Louisiana Legislature.

Participation in the Teachers' Retirement System of Louisiana is divided into two plans - the Teachers' Regular Plan and the Teachers' Plan A. In general, professional employees (such as teachers and principals) and lunchroom workers are members of the Louisiana Teachers' Retirement System (TRSL); other employees, such as custodial personnel and bus drivers, are members of the Louisiana School Employees' Retirement System (LSERS). Generally, all full-time employees are eligible to participate in the system.

With respect to the Teachers' Retirement System Regular Plan, normal retirement is at age 60 with ten years of service, or at any age with 20 years of service for those joining Teachers Retirement on or after July 1, 1999. This is an actuarially reduced benefit for those who have not met the regular retirement stipulations of 30 years at any age or 25 years at age 55. The formula for annual maximum retirement benefits is generally two percent (with less than 25 years of service) or 2.5 percent (with 25 or more years of service) times the years of creditable service times the average salary of the 36 highest successive months (plus \$300 applicable to persons becoming members prior to July 1, 1986).

Under the Teachers' Retirement System Plan A, normal retirement is generally at any age with 30 or more years of creditable service, at age 55 with at least 25 years of creditable service and at age 60 with at least ten years of creditable service. The retirement benefit formula is generally three percent times the years of creditable service times the average salary of the 36 highest successive months plus \$24 per year of service.

Employees participating in the Louisiana School Employees' Retirement System are eligible for normal retirement after 30 years of service, or after 25 years of service at age 55 or after ten years of service at age 60. The maximum retirement allowance is computed at 2.5 percent times the highest 36 months of average salary, times the years of service plus a supplement of \$2.00 per month times the years of service.

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Both TRS and LSERS issue annual financial reports. The reports can be obtained by telephoning or writing to the following:

| | |
|--|---|
| Teachers' Retirement System of Louisiana | Louisiana School Employees' Retirement System |
| Post Office Box 94123 | Post Office Box 44516 |
| Baton Rouge, Louisiana 70804-9123 | Baton Rouge, Louisiana 70804 |
| (225) 925-6446 | (225) 925-6484 |

Funding Policy Each system is administered and controlled at the state level by a separate board of trustees, with contribution rates approved and amended by the Louisiana Legislature. Benefits of the systems are funded by employee and employer contributions. Benefits granted by the retirement systems are guaranteed by the state of Louisiana under provisions of the Louisiana Constitution of 1974. The School Board's employer contribution for the TRSL, as provided by state law, is funded by deductions from local ad valorem taxes and by remittances from the School Board. For the LSERS, the School Board's employer contribution is funded by annual appropriations.

In addition, the employer does not remit to the Teachers' Retirement System, Regular Plan, or Plan A, the employer's contribution for the professional improvement program (PIP) portion of payroll. The PIP contribution is made directly to the Retirement System by the state of Louisiana.

Contribution rates (as a percentage of covered salaries) for active plan members as established by the Louisiana Legislature for the year ended June 30, 2011, are as follows:

| | <u>Employee</u> | <u>Employer</u> |
|---|-----------------|-----------------|
| Louisiana Teachers' Retirement System of Louisiana: | | |
| Regular | 8.0% | 20.2% |
| Plan A | 9.1% | 20.2% |
| Louisiana School Employees' Retirement System | 7.5% | 24.3% |

Total covered payroll of the School Board for TRSL - Regular Plan, TRSL - Plan A, and LSERS for the year ended June 30, 2011, amounted to \$12,151,774, \$21,049, and \$1,170,057, respectively. Employer contributions for the year ended June 30, 2011, and each of the two preceding years are as follows:

| <u>Fiscal Year Ended</u> | <u>TRSL</u> | <u>LSERS</u> |
|--------------------------|-------------|--------------|
| June 30, 2009 | \$1,888,607 | \$212,179 |
| June 30, 2010 | 1,881,452 | 217,594 |
| June 30, 2011 | 2,457,110 | 284,324 |

Employer contributions totaled 100% of annual actuarially required contributions.

NOTE 7 - OTHER POST EMPLOYMENT BENEFITS (OPEB) Effective with the fiscal year ended June 30, 2009, the School Board implemented Government Accounting Standards Board Statement Number 45, Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions (GASB 45).

Plan description - In accordance with state statutes, the School Board provides certain continuing health care and life insurance benefits for its retired employees on a pay-as-you-go basis. The School Board's OPEB plan is a single-employer defined benefit "substantive plan" as understood by past practices of the School Board and its employees. Although no written plan or trust currently exists or is sanctioned by law, the OPEB plan is reported based on communication to plan members. Also, no stand-alone financial report was prepared. Substantially all of the School Board's employees become eligible for these benefits if they reach normal retirement age while working for the

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School Board. These benefits and similar benefits for active employees are provided through the Louisiana Office of Group Benefits, whose monthly premiums are paid jointly by the employee and the School Board.

Funding Policy - The contribution requirements of plan members and the School Board are established and may be amended by LRS 42:801-883. Employees do not contribute to their post employment benefits cost until they become retirees and begin receiving those benefits. The retirees contribute to the cost of retiree healthcare based on a rate schedule. Contribution amounts are approximately 27% retiree/73% employer of the stated costs of healthcare coverage.

The plan is currently financed on a "pay as you go basis", with the School Board contributing \$1,228,472 for 224 retirees for the year ended June 30, 2011.

Annual Other Post Employment Benefit Cost and Liability - The School Board's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45, which is being implemented for the year ended June 30, 2009. The ARC represents a level of funding that, if paid on an ongoing basis, would cover normal cost each year and amortize any unfunded actuarial liabilities (UAL) over a period of thirty years. A 30 year amortization period (the maximum amortization period allowed by GASB 45) was used for post employment benefits. The level dollar amortization method was used. The total ARC for fiscal year 2011 is \$2,766,337 as set forth below:

| | |
|------------------------------------|---------------------|
| Normal Cost | \$ 1,115,782 |
| 30-year UAL amortization amount | <u>1,650,555</u> |
| Annual required contribution (ARC) | <u>\$ 2,766,337</u> |

The following table presents the School Board's OPEB Obligation for fiscal year 2011:

| | 2011 | 2010 | 2009 |
|--|---------------------|---------------------|---------------------|
| Beginning Net OPEB Obligation July 1 | \$ 2,442,144 | \$ 1,246,263 | \$ None |
| Annual required contribution | 2,766,337 | 2,346,868 | 2,346,868 |
| Interest on prior year Net OPEB Obligation | 97,686 | 60,855 | 60,855 |
| Adjustment to ARC | <u>(146,560)</u> | <u>-</u> | <u>-</u> |
| Annual OPEB Cost | 2,717,463 | 2,407,723 | 2,407,723 |
| Less current year retiree premiums | <u>(1,228,472)</u> | <u>(1,211,842)</u> | <u>(1,161,460)</u> |
| Increase in Net OPEB Obligation | 1,488,991 | 1,195,881 | 1,246,263 |
| Ending Net OPEB Obligation at June 30 | <u>\$ 3,931,135</u> | <u>\$ 2,442,144</u> | <u>\$ 1,246,263</u> |

Utilizing the pay as you go method, the School Board contributed 45.20% of the annual post employment benefits cost during 2011 as compared to 50.33% in 2010 and 48.24% in 2009.

Funded Status and Funding Progress - Since the plan is not funded, the School Board's entire actuarial accrued liability of \$27,503,330 was unfunded.

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The funded status of the plan, as determined by an actuary as of July 1, 2010, was as follows:

| | |
|---|----------------------|
| Actuarial accrued liability (AAL) | \$ 27,503,330 |
| Actuarial value of plan assets | - |
| Unfunded actuarial accrued liability (UAAL) | <u>\$ 27,503,330</u> |
| Funded ratio (actuarial value of plan assets/AAL) | 0% |
| Covered payroll | \$ 14,693,684 |
| UAAL as a percentage of covered payroll | 187.18% |

Actuarial Methods and Assumptions - Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities consistent with the long-term perspective of the calculations.

In the July 1, 2010, Jackson Parish School Board actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4% investment rate of return and initial actual healthcare cost trend of 6.7% scaling down to ultimate rates of 4.4% per year. The inflation rate is a subset of the healthcare cost trend rate, which is assuming a long-term rate of 2.75%. The RP-2000 Static Health Mortality Table was used in making actuarial assumptions. Withdrawal rates for employees ranged from 7% at age 25 to 2% at age 50. Disability rates ranged from .01% at age 25 to .47% at age 55. Retirement rates ranged from 5% at age 38 to 100% at age 72.

The remaining amortization period at June 30, 2011 for other post employment benefits (OPEB) was twenty-seven years. The required schedule of funding progress immediately following the notes presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing overtime relative to the actuarial accrued liability.

NOTE 8 - ACCOUNTS, SALARIES, AND OTHER PAYABLES The payables at June 30, 2011, are as follows:

| | General | QSCB 2011 Series Construction | Weston QSCB Construction | Other Governmental | Total |
|----------|---------------------|-------------------------------------|--------------------------------|-----------------------|---------------------|
| Salaries | \$ 1,877,544 | \$ - | \$ - | \$ 226,217 | \$ 2,103,761 |
| Accounts | 474,209 | 29,522 | 640,089 | 7,854 | 1,151,674 |
| Total | <u>\$ 2,351,753</u> | <u>\$ 29,522</u> | <u>\$ 640,089</u> | <u>\$ 234,071</u> | <u>\$ 3,255,435</u> |

NOTE 9 - COMPENSATED ABSENCES At June 30, 2011, employees of the School Board have accumulated and vested \$267,391, of employee leave benefits, including \$3,822 of salary-related benefits. These employee leave benefits were computed in accordance with GASB Codification Section C60.

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NOTE 10 - AGENCY FUND DEPOSITS DUE OTHERS A summary of changes in agency fund deposits due others for the year ended June 30, 2011, follows:

| | Balance, Beginning | Additions | Reductions | Balance, Ending |
|------------------------|-----------------------|------------|------------|--------------------|
| School activities fund | \$ 287,072 | \$ 954,609 | \$ 910,000 | \$ 331,681 |

NOTE 11 - LONG-TERM LIABILITIES The following is a summary of the long-term obligation transactions for the year ended June 30, 2011:

| | Beginning, Balance | Additions | Deletions | Ending, Balance | Amounts Due Within One Year |
|--|-----------------------|---------------------|--------------------|---------------------|-----------------------------------|
| Governmental Activities | | | | | |
| Bonds Payable: | | | | | |
| General obligation debt | \$ 1,515,000 | \$ - | \$ 675,000 | \$ 840,000 | \$ 265,000 |
| Revenue Bonds: | | | | | |
| Certificate of indebtedness | 222,580 | - | 52,080 | 170,500 | 53,940 |
| QSCB Series 2009 | 6,000,000 | - | 400,000 | 5,600,000 | 400,000 |
| QSCB Limited Tax Series 2011 | - | 2,500,000 | - | 2,500,000 | 172,600 |
| Other liabilities: | | | | | |
| OPEB Liability | 2,442,144 | 2,717,463 | 1,228,472 | 3,931,135 | - |
| Compensated absences | 504,306 | 214,524 | 451,439 | 267,391 | 225,720 |
| Litigation payable | - | 125,000 | - | 125,000 | 50,000 |
| Claims and Judgments payable | 36,751 | 47,173 | 73,129 | 10,795 | 10,795 |
| Governmental Activities Long-term liabilities | <u>\$10,720,781</u> | <u>\$ 5,604,160</u> | <u>\$2,880,120</u> | <u>\$13,444,821</u> | <u>\$1,178,055</u> |

The compensated absences, claims and judgments payable and OPEB Liability attributable to the governmental activities will be liquidated by the School Board's governmental funds. In the past, approximately 100% was paid by the general fund. Additionally, the litigation payable will be liquidated by the general fund.

Rate Reduction:

In December 2010, the School Board completed proceedings with respect to the reduction of the interest rate on the remaining outstanding bonds for Jonesboro-Hodge District General Obligation School Bonds, Series 1999 and Weston-Quitman Certificate of Indebtedness, Series 2004A. The interest rate on the Jonesboro-Hodge Bond was reduced from a range of 0.10%-5.50% to a range of 0.10%-3.00% and the interest rate on the Weston-Quitman Bond was reduced from a range of 2.5%-4.5% to 1.95%. The rate reduction did not affect the remaining principal payments and the maturity date for either bond.

Pledged Revenues:

In December 2009, the School Board issued \$6,000,000 and in April 2011, the School Board issued \$2,500,000 in taxable Qualified School Construction Bonds (QSCB) to finance construction, rehabilitation, and renovation or repair of public school facilities, including equipping of school facilities. The School Board has pledged, as security for both bonds, a portion of the 4.4 mills Constitutional ad valorem tax. The bonds are payable solely from the constitutional tax collected and are payable through 2024 for the QSCB, Series 2009 and through 2025 for the QSCB, Series 2011. Annual principal and interest payments are expected to require less than 46% of the tax revenues for the QSCB, Series 2009 and 20.2% for the QSCB, Series 2011. Total principal and interest remaining to be paid on the QSCB, Series 2009 is \$5,903,750, and total principal and interest remaining to be paid on the QSCB, Series 2011 is

Jackson Parish School Board
Notes to the Basic Financial Statements
June 30, 2011

\$2,788,611. The total principal payments made during the current year from the pledged revenue was \$400,000 and total interest payments made during the current year from the pledged revenue was \$22,500 for the QSCB bonds.

The individual issues are as follows:

| <u>Bond issue</u> | <u>Issue Date</u> | <u>Original Issue</u> | <u>Interest Rates</u> | <u>Maturity Date</u> | <u>Interest to Maturity</u> | <u>Principal Outstanding</u> |
|------------------------------------|-------------------|-----------------------|-----------------------|----------------------|-----------------------------|------------------------------|
| General Obligation: | | | | | | |
| Jonesboro-Hodge School District | 03/01/00 | \$ 3,060,000 | 0.10%-3.00% | 03/01/14 | \$ 41,725 | \$ 840,000 |
| Revenue Bonds: | | | | | | |
| QSCB Series 2009 | 12/15/09 | 6,000,000 | 0.375% | 10/01/24 | 303,750 | 5,600,000 |
| QSCB Limited Tax Series 2011 | 04/26/11 | 2,500,000 | 6.140% | 10/01/25 | 288,611 | 2,500,000 |
| Certificate of Indebtedness | | | | | | |
| Series 2004A | 07/01/04 | 800,000 | 1.95% | 06/01/14 | 6,758 | 170,500 |
| Grand Total | | | | | <u>\$ 640,844</u> | <u>\$ 9,110,500</u> |

All principal and interest requirements are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the parish. At June 30, 2011, the School Board has accumulated \$1,166,813 in the debt service funds for future debt requirements.

The certificate of indebtedness, bonds and QSCB are due as follows:

| | <u>Certificate of Indebtedness</u> | | <u>Bonds</u> | | <u>QSCB Series</u> | | <u>Total</u> |
|----------------------|------------------------------------|--------------------------|---------------------------|--------------------------|---------------------------|--------------------------|---------------------|
| | <u>Principal Payments</u> | <u>Interest Payments</u> | <u>Principal Payments</u> | <u>Interest Payments</u> | <u>Principal Payments</u> | <u>Interest Payments</u> | |
| Year Ending June 30, | | | | | | | |
| 2012 | \$ 53,940 | \$ 3,325 | \$ 265,000 | \$ 18,425 | \$ 572,600 | \$ 41,111 | \$ 954,401 |
| 2013 | 57,040 | 2,273 | 280,000 | 14,450 | 572,400 | 42,500 | 968,663 |
| 2014 | 59,520 | 1,160 | 295,000 | 8,850 | 572,400 | 42,500 | 979,430 |
| 2015 | - | - | - | - | 572,400 | 42,500 | 614,900 |
| 2016 | - | - | - | - | 572,400 | 42,500 | 614,900 |
| 2017-2021 | - | - | - | - | 2,862,000 | 212,500 | 3,074,500 |
| 2022-2026 | - | - | - | - | 2,375,800 | 168,750 | 2,544,550 |
| Total | <u>\$ 170,500</u> | <u>\$ 6,758</u> | <u>\$ 840,000</u> | <u>\$ 41,725</u> | <u>\$ 8,100,000</u> | <u>\$ 592,361</u> | <u>\$ 9,751,344</u> |

In accordance with Louisiana Revised Statute 39:562, the School Board is legally restricted from incurring long-term bonded debt in excess of 35 percent of the assessed value of taxable property. At June 30, 2011, the statutory limit was \$78,533,039 and outstanding net bonded debt was \$0 (total bonded debt of \$840,000 less \$1,166,813 accumulated in debt service funds).

NOTE 12 - INTERFUND TRANSACTIONS (FFS LEVEL ONLY)

Interfund Receivable/Payable:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|------------------------|---------------------|-------------------|
| General | Other governmental | \$ 519,002 |
| Other governmental | General | 137,853 |
| | Total | <u>\$ 656,855</u> |

Jackson Parish School Board
Notes to the Basic Financial Statements
June 30, 2011

The purpose of interfund receivable/payable is to cover expenditures on cost reimbursement programs until reimbursements are received.

Interfund Transfers In/Out:

| <u>Transfers In</u> | <u>Transfers Out</u> | <u>Amount</u> |
|--------------------------|--------------------------|---------------------|
| Other governmental funds | General fund | \$ 807,477 |
| Other governmental funds | Other governmental funds | 423,500 |
| | Total | <u>\$ 1,230,977</u> |

The purpose of interfund transfers was to cover operating expenditures in the Special revenue funds and to cover principal and interest payments of debt service funds.

NOTE 13 - LITIGATION AND CONTINGENCIES

Litigation At June 30, 2011, the School Board was involved in various litigations. There were several lawsuits that were considered to be probable causing potential liability of approximately \$125,000. A liability of \$125,000 was recorded in the statement of net assets. See Note 11 for long-term liabilities.

Grant Disallowances The School Board participates in a number of state and federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. The School Board's management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

Federal Arbitrage Regulations The School Board's bonded indebtedness is subject to the Internal Revenue Code's provisions applicable to arbitrage earnings. In government finance, these earnings result from the temporary investment of the proceeds of the government entity's tax exempt securities in materially higher yielding taxable securities.

Construction Commitments At June 30, 2011, the School Board had signed construction contracts of \$4,252,500 for renovations to Quitman High, a new roof at Jonesboro-Hodge Middle School, and additions to Southside. The total remaining on these contracts was \$1,587,752 at June 30, 2011.

NOTE 14 - CHANGES IN PRESENTATION For fiscal year ended June 30, 2010, the General fund, Title I fund and Weston QSCB Construction fund were reported as major funds; however, for fiscal year ended June 30, 2011, the General fund, QSCB 2011 Series Construction fund and Weston QSCB Construction fund are reported as major funds.

NOTE 15 - RISK MANAGEMENT The School Board initiated a risk management program for workers' compensation in 1998. The amount of policy coverage is \$1,000,000. The deductible is \$275,000. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. This liability is the School Board's best estimate based on available information. The liability at June 30, 2011, was \$18,656.

Jackson Parish School Board
Notes to the Basic Financial Statements
June 30, 2011

Changes in the claims amount for the year ended June 30, 2011, is as follows:

| <u>Years Ended June 30,</u> | <u>Beginning of Fiscal Year</u> | <u>Claims and Changes in Estimates</u> | <u>Benefit Payment and Claims</u> | <u>Ending of Fiscal Year Liability</u> |
|-----------------------------|---|--|---|--|
| 2008-2009 | \$ 135,851 | \$ 53,301 | \$ 111,529 | \$ 77,623 |
| 2009-2010 | 77,623 | 7,383 | 44,404 | 40,602 |
| 2010-2011 | 40,602 | 47,173 | 69,119 | 18,656 |

Of the \$18,656, the amount showing as current claims payable is \$7,861 in Statement C, which is two months of claims paid after year end. The remaining \$10,795 is reflected in the governmental activities as long term debt in Statement A; however, the full \$10,795 is considered amounts due within one year.

The School Board continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in the past year.

NOTE 16 - ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES On-behalf payments for fringe benefits and salaries are direct payments made by an entity (the paying agent) to a third-party recipient for the employees of another, legally separate entity (the employer entity). GASB Statement No. 24 requires employer governments to recognize revenue and expenditures or expenses for these on-behalf payments.

The State of Louisiana made pension contributions (regarding Professional Improvement Program) directly to the Teachers' Retirement System of Louisiana on behalf of the School Board in the amount of \$8,646. This amount was recognized as state revenue and a corresponding expenditure in the applicable fund from which the salary was paid.

NOTE 17 - FUND BALANCE CLASSIFICATION DETAILS The following are details of the fund balance classifications:

| | <u>General Fund</u> | <u>QSCB 2011 Series Construction</u> | <u>Weston QSCB Construction</u> | <u>Other Governmental</u> | <u>Total</u> |
|--------------------------|----------------------|--|-------------------------------------|-------------------------------|----------------------|
| Non-spendable: | | | | | |
| Inventory | \$ - | \$ - | \$ - | \$ 18,366 | \$ 18,366 |
| Restricted for: | | | | | |
| Child nutrition program | - | - | - | 131,720 | 131,720 |
| Capital Projects | - | 2,470,734 | 1,680,512 | 65,344 | 4,216,590 |
| Debt service | - | - | - | 1,166,813 | 1,166,813 |
| Salaries and maintenance | 2,153,823 | - | - | - | 2,153,823 |
| Unassigned | 11,719,080 | - | - | - | 11,719,080 |
| Total | <u>\$ 13,872,903</u> | <u>\$ 2,470,734</u> | <u>\$ 1,680,512</u> | <u>\$ 1,382,243</u> | <u>\$ 19,406,392</u> |

NOTE 18 - ECONOMIC DEPENDENCY Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 280-10-50-42 requires disclosure in financial statements of a situation where one entity provides more than 10% of the audited entities revenue. The Minimum Foundation funding provided by the state to all public school systems in Louisiana is primarily based on October 1 student count. The state provided \$10,189,057 to the School Board, which represents approximately 39% of the School Board's total revenue for the year.

Jackson Parish School Board

REQUIRED SUPPLEMENTAL INFORMATION

Jackson Parish School Board

Schedule of Funding Progress for Other Post-Employment Benefit Plan

| <u>Year Ended June 30</u> | <u>Actuarial Valuation Date</u> | <u>(a) Actuarial Value of Assets</u> | <u>(b) Actuarial Accrued Liability (AAL)</u> | <u>(b-a) Unfunded AAL (UAAL)</u> | <u>(a/b) Funded Ratio</u> | <u>(c) Covered Payroll</u> | <u>(b-a/c) UAAL as a Percentage of Covered Payroll</u> |
|-----------------------------------|---|--|--|--|-----------------------------------|------------------------------------|--|
| 2009 | July 1, 2008 | \$ - | \$ 26,307,549 | \$26,307,549 | 0% | \$ 14,636,198 | 179.74% |
| 2010 | July 1, 2008 | - | 26,307,549 | 26,307,549 | 0% | 14,694,134 | 179.03% |
| 2011 | July 1, 2010 | - | 27,503,330 | 27,503,330 | 0% | 14,693,684 | 187.18% |

Jackson Parish School Board

Budgetary Comparison Schedules

GENERAL FUND The general fund accounts for all activities of the School Board except those that are accounted for in other funds.

JACKSON PARISH SCHOOL BOARD

**GENERAL FUND
Budgetary Comparison Schedule
For the Year Ended June 30, 2011**

Exhibit 1-1

| | BUDGETED AMOUNTS | | ACTUAL AMOUNTS | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|---|-------------------------|----------------------|---------------------------|---|
| | ORIGINAL | FINAL | (Budgetary Basis) | |
| BUDGETARY FUND BALANCES, BEGINNING | \$ 12,984,577 | \$ 14,521,053 | \$ 14,521,053 | \$ 0 |
| Resources (inflows) | | | | |
| Local sources: | | | | |
| Taxes: | | | | |
| Ad valorem | 4,300,000 | 5,007,333 | 5,007,333 | 0 |
| Sales tax | 7,500,000 | 6,686,524 | 6,267,649 | (418,875) |
| Interest earnings | 285,300 | 114,981 | 134,670 | 19,689 |
| Other | 497,315 | 236,542 | 257,198 | 20,656 |
| State sources: | | | | |
| Equalization | 10,090,561 | 10,011,358 | 10,011,357 | (1) |
| Other | 777,932 | 183,256 | 163,129 | (20,127) |
| Federal sources | 48,612 | 19,068 | 1,216 | (17,852) |
| Transfers from other funds | 500,000 | 493,000 | 0 | (493,000) |
| Amounts available for appropriations | 38,984,297 | 37,273,115 | 38,363,605 | (909,510) |
| Charges to appropriations (outflows) | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular programs | 10,159,763 | 10,103,069 | 9,486,758 | 616,311 |
| Special programs | 1,867,658 | 2,276,149 | 2,151,906 | 124,243 |
| Other instructional programs | 1,108,913 | 1,043,176 | 813,972 | 229,204 |
| Support services: | | | | |
| Student services | 1,202,554 | 1,229,187 | 878,189 | 350,998 |
| Instructional staff support | 978,021 | 1,007,190 | 1,192,555 | (185,365) |
| General administration | 788,601 | 975,600 | 828,340 | 147,260 |
| School administration | 968,505 | 1,132,001 | 1,102,652 | 29,349 |
| Business services | 367,606 | 420,154 | 472,320 | (52,166) |
| Plant services | 1,559,091 | 2,205,247 | 2,349,970 | (144,723) |
| Student transportation services | 1,660,308 | 2,114,470 | 1,658,375 | 456,095 |
| Food services | 361,540 | 363,971 | 426,072 | (62,101) |
| Capital Outlay | 50,000 | 0 | 322,116 | (322,116) |
| Debt service: | | | | |
| Principal payment | 0 | 600,000 | 0 | 600,000 |
| Transfers to other funds | 700,000 | 500,000 | 796,227 | (296,227) |
| Total charges to appropriations | 21,772,558 | 23,970,214 | 22,479,452 | 1,490,762 |
| BUDGETARY FUND BALANCES, ENDING | \$ 15,211,739 | \$ 13,302,901 | \$ 13,884,153 | \$ 581,252 |

**Jackson Parish School Board
Notes to the Budgetary Comparison Schedules
For the Year Ended June 30, 2011**

A. BUDGETS

General Budget Practices The School Board follows these procedures in establishing the budgetary data reflected in the combined financial statements:

State statute requires budgets to be adopted for the general fund and all special revenue funds.

Each year prior to September, the Superintendent submits to the Board proposed annual budgets for the general fund and special revenue funds. Public hearings are conducted, prior to the Board's approval, to obtain taxpayer comments. The operating budgets include proposed expenditures and the means of financing them.

Appropriations (unexpected budget balances) lapse at year-end.

Formal budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the function level. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments. These revisions were considered insignificant by the Board.

Encumbrances Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed. However, outstanding purchase orders are taken into consideration before expenditures are incurred in order to assure that applicable appropriations are not exceeded.

Budget Basis of Accounting The General Fund's budget is prepared on the modified accrual basis of accounting, a basis consistent with accounting principles generally accepted in the United States of America (GAAP) except for transfers in and out. Budgeted amounts are originally adopted or amended by the Board. Legally, the Board must adopt a balanced budget; that is, total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the Board to amend its budgets when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures within a fund are expected to exceed budgeted expenditures by five percent or more. The School Board approves budgets at the function level and management can transfer amounts between line items within a function.

JACKSON PARISH SCHOOL BOARD

**Notes to the Budgetary Comparison Schedules
For the Year Ended June 30, 2011**

Note B - Budget to GAAP Reconciliation - Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures

| | GENERAL FUND |
|--|---------------------------------|
| <u>Sources/inflows of resources:</u> | |
| Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule | \$ 36,363,605 |
| The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes | <u>(14,521,053)</u> |
| Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds | <u><u>\$ 21,842,552</u></u> |
| <u>Uses/outflows of resources:</u> | |
| Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule | \$ 22,479,452 |
| Transfer to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes | <u>(796,227)</u> |
| Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds | <u><u>\$ 21,683,225</u></u> |

Jackson Parish School Board

SUPPLEMENTAL INFORMATION

JACKSON PARISH SCHOOL BOARD

**NONMAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet - By Fund Type
June 30, 2011**

Exhibit 2

| | <u>SPECIAL REVENUE</u> | <u>DEBT SERVICE</u> | <u>CAPITAL PROJECTS</u> | <u>TOTAL</u> |
|--|----------------------------|-------------------------|-----------------------------|---------------------|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 156,200 | \$ 1,144,813 | \$ 17,514 | \$ 1,318,527 |
| Receivables | 665,887 | 0 | 0 | 665,887 |
| Interfund receivables | 51,778 | 38,245 | 47,830 | 137,853 |
| Inventory | 18,366 | 0 | 0 | 18,366 |
| TOTAL ASSETS | <u>892,231</u> | <u>1,183,058</u> | <u>65,344</u> | <u>2,140,633</u> |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts, salaries and other payables | 234,071 | 0 | 0 | 234,071 |
| Interfund payables | 502,757 | 16,245 | 0 | 519,002 |
| Deferred revenue | 5,317 | 0 | 0 | 5,317 |
| Total Liabilities | <u>742,145</u> | <u>16,245</u> | <u>0</u> | <u>758,390</u> |
| Fund Balances: | | | | |
| Nonspendable | 18,366 | 0 | 0 | 18,366 |
| Restricted | 131,720 | 1,166,813 | 65,344 | 1,363,877 |
| Total Fund Balances | <u>150,086</u> | <u>1,166,813</u> | <u>65,344</u> | <u>1,382,243</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 892,231</u> | <u>\$ 1,183,058</u> | <u>\$ 65,344</u> | <u>\$ 2,140,633</u> |

JACKSON PARISH SCHOOL BOARD

NONMAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances - By Fund Type
For the Year Ended June 30, 2011

Exhibit 3

| | <u>SPECIAL REVENUE</u> | <u>DEBT SERVICE</u> | <u>CAPITAL PROJECTS</u> | <u>TOTAL</u> |
|--|----------------------------|-------------------------|-----------------------------|---------------------|
| REVENUES | | | | |
| Local sources: | | | | |
| Taxes: | | | | |
| Ad valorem | \$ 0 | \$ 353,187 | \$ 0 | \$ 353,187 |
| Interest earnings | 1,485 | 2,410 | 161 | 4,056 |
| Food services | 274,424 | 0 | 0 | 274,424 |
| Other | 1,740 | 0 | 0 | 1,740 |
| State sources: | | | | |
| Equalization | 177,700 | 0 | 0 | 177,700 |
| Other | 137,278 | 0 | 0 | 137,278 |
| Federal sources | 3,273,813 | 0 | 0 | 3,273,813 |
| Total Revenues | 3,866,440 | 355,597 | 161 | 4,222,198 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular programs | 687,305 | 0 | 0 | 687,305 |
| Special programs | 220,680 | 0 | 0 | 220,680 |
| Other instructional programs | 895,772 | 0 | 0 | 895,772 |
| Support services: | | | | |
| Student services | 131,104 | 0 | 0 | 131,104 |
| Instructional staff support | 380,414 | 0 | 0 | 380,414 |
| General administration | 141,747 | 13,165 | 0 | 154,912 |
| School administration | 47,524 | 0 | 0 | 47,524 |
| Business services | 5,940 | 0 | 0 | 5,940 |
| Plant services | 29,702 | 0 | 0 | 29,702 |
| Student transportation services | 49,218 | 0 | 0 | 49,218 |
| Food services | 1,226,099 | 0 | 0 | 1,226,099 |
| Capital outlay | 81,479 | 4,287 | 0 | 85,766 |
| Debt service: | | | | |
| Principal retirement | 0 | 1,127,080 | 0 | 1,127,080 |
| Interest and bank charges | 0 | 124,758 | 0 | 124,758 |
| Total Expenditures | 3,898,984 | 1,269,290 | 0 | 5,166,274 |
| EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES | \$ (30,544) | \$ (913,693) | \$ 161 | \$ (944,076) |

(Continued)

JACKSON PARISH SCHOOL BOARD

**NONMAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances - By Fund Type
For the Year Ended June 30, 2011**

Exhibit 3

| | <u>SPECIAL REVENUE</u> | <u>DEBT SERVICE</u> | <u>CAPITAL PROJECTS</u> | <u>TOTAL</u> |
|---|----------------------------|-------------------------|-----------------------------|---------------------|
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | \$ 0 | \$ 1,230,977 | \$ 0 | \$ 1,230,977 |
| Transfers out | 0 | (423,500) | 0 | (423,500) |
| Total Other Financing Sources (Uses) | <u>0</u> | <u>807,477</u> | <u>0</u> | <u>807,477</u> |
| Net Change in Fund Balances | (30,544) | (106,216) | 161 | (136,599) |
| FUND BALANCES, AT BEGINNING OF YEAR | <u>180,630</u> | <u>1,273,029</u> | <u>65,183</u> | <u>1,518,842</u> |
| FUND BALANCES, AT END OF YEAR | <u>\$ 150,086</u> | <u>\$ 1,166,813</u> | <u>\$ 65,344</u> | <u>\$ 1,382,243</u> |

(Concluded)

Jackson Parish School Board

Nonmajor Special Revenue Funds

CHILD NUTRITION Through cash grants and food donations, the school food service fund assists in providing a nutritious breakfast and lunch service for school students and encourages the domestic consumption of nutritious agricultural commodities.

TITLE I This program improves the educational opportunities of socially and economically deprived children by helping them succeed in regular school programs, attain grade level proficiency, and improve achievement in basic and more advanced skills.

TITLE II This program is designed to improve the skills of teachers and the quality of instruction in mathematics and science, and, to increase the accessibility of such instruction to all students.

SPECIAL EDUCATION

Special Education - Preschool Grants - These grants to states assist them in providing a free, appropriate public education to preschool disabled children aged three through five years.

Special Education - State Grants - These grants to states assist them in providing a free appropriate public education to all children with disabilities.

Award of State Funds For Contract Services - These funds provide financial assistance for contract services for speech, physical and occupational therapy.

DRUG FREE SCHOOL This program was designed to establish state and local programs of alcohol and drug abuse education and prevention coordinated with related community efforts and resources.

VOCATIONAL EDUCATION/EETT/LA4

Vocational Education - Basic Grants to the States - This program was designed to make the United States more competitive in the world economy by developing more fully the academic and occupational skills of all segments of the population, principally through concentrating resources on improving educational programs leading to academic and occupational skills needed to work in a technologically advanced society.

Enhancing Education Thorough Technology - This program is to assist students in improving their understanding of new technology.

LA4 - This program is to provide financial assistance to develop educational programs for preschool children.

REAP (RURAL EDUCATION ACHIEVEMENT PROGRAM) This program was designed to provide high-poverty, rural local educational agencies with teacher professional development and educational technology.

MISCELLANEOUS FEDERAL FUNDS

Rural and Low Income School To provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning.

(Continued)

Jackson Parish School Board

Nonmajor Special Revenue Funds

Comprehensive School Reform This program is designed to improve the learning of students by hiring additional, highly qualified teachers, to reduce class sizes especially in the early grades, to enable children to attend smaller classes.

EDUCATION JOBS This program is a one-time appropriation under the American Recovery and Reinvestment Act of 2009 to provide assistance with financial needs for education purposes.

(Concluded)

JACKSON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS

Combining Balance Sheet

June 30, 2011

| | CHILD NUTRITION | TITLE I | TITLE II | SPECIAL EDUCATION |
|--|----------------------------|-------------------|------------------|------------------------------|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 156,200 | \$ 0 | \$ 0 | \$ 0 |
| Receivables | 4,859 | 321,502 | 43,125 | 151,339 |
| Interfund receivables | 51,778 | 0 | 0 | 0 |
| Inventory | 18,366 | 0 | 0 | 0 |
| TOTAL ASSETS | 231,203 | 321,502 | 43,125 | 151,339 |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts, salaries and other payables | 75,800 | 84,169 | 16,981 | 25,585 |
| Interfund payables | 0 | 237,333 | 26,144 | 125,754 |
| Deferred revenue | 5,317 | 0 | 0 | 0 |
| Total Liabilities | 81,117 | 321,502 | 43,125 | 151,339 |
| Fund Balances: | | | | |
| Nonspendable | 18,366 | 0 | 0 | 0 |
| Restricted | 131,720 | 0 | 0 | 0 |
| Total Fund Balances | 150,086 | 0 | 0 | 0 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 231,203 | \$ 321,502 | \$ 43,125 | \$ 151,339 |

Exhibit 4

| DRUG FREE SCHOOL | VOCATIONAL EDUCATION/ EETT/LA4 | REAP | MISCELLANEOUS FEDERAL FUNDS | EDUCATION JOBS | TOTAL |
|---------------------|--------------------------------------|------------------|-----------------------------------|-------------------|-------------------|
| \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 156,200 |
| 3,650 | 25,396 | 10,192 | 14,153 | 91,671 | 865,887 |
| 0 | 0 | 0 | 0 | 0 | 51,778 |
| 0 | 0 | 0 | 0 | 0 | 18,368 |
| <u>3,650</u> | <u>25,396</u> | <u>10,192</u> | <u>14,153</u> | <u>91,671</u> | <u>892,231</u> |
| 0 | 19,952 | 4,107 | 7,477 | 0 | 234,071 |
| 3,650 | 5,444 | 6,085 | 6,676 | 91,671 | 502,757 |
| 0 | 0 | 0 | 0 | 0 | 5,317 |
| <u>3,650</u> | <u>25,396</u> | <u>10,192</u> | <u>14,153</u> | <u>91,671</u> | <u>742,145</u> |
| 0 | 0 | 0 | 0 | 0 | 18,366 |
| 0 | 0 | 0 | 0 | 0 | 131,720 |
| 0 | 0 | 0 | 0 | 0 | 150,086 |
| <u>\$ 3,650</u> | <u>\$ 25,396</u> | <u>\$ 10,192</u> | <u>\$ 14,153</u> | <u>\$ 91,671</u> | <u>\$ 892,231</u> |

JACKSON PARISH SCHOOL BOARD

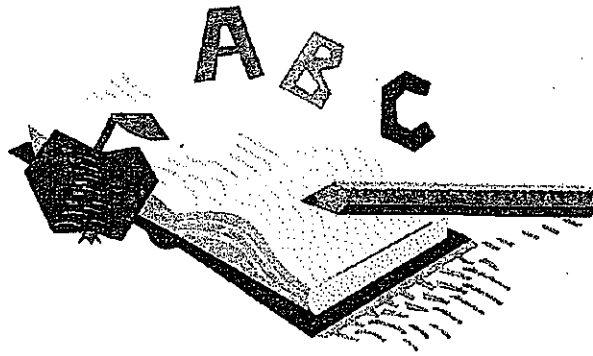
NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2011

| | CHILD NUTRITION | TITLE I | TITLE II | SPECIAL EDUCATION |
|---|--------------------|------------------|----------------|----------------------|
| REVENUES | | | | |
| Local sources: | | | | |
| Interest earnings | \$ 1,485 | \$ 0 | \$ 0 | \$ 0 |
| Food service | 274,424 | 0 | 0 | 0 |
| Other | 1,735 | 5 | 0 | 0 |
| State sources: | | | | |
| Equalization | 177,700 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 |
| Federal sources | 816,004 | 1,013,037 | 121,514 | 605,174 |
| Total Revenues | 1,271,348 | 1,013,042 | 121,514 | 605,174 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular programs | 0 | 0 | 0 | 247,354 |
| Special programs | 0 | 0 | 0 | 157,263 |
| Other instructional programs | 0 | 694,697 | 81,513 | 0 |
| Support services: | | | | |
| Student services | 0 | 0 | 0 | 111,679 |
| Instructional staff support | 0 | 245,588 | 30,086 | 42,152 |
| General administration | 0 | 72,757 | 9,915 | 45,032 |
| School administration | 0 | 0 | 0 | 0 |
| Business services | 0 | 0 | 0 | 0 |
| Plant services | 0 | 0 | 0 | 0 |
| Student transportation services | 0 | 0 | 0 | 1,694 |
| Food services | 1,220,159 | 0 | 0 | 0 |
| Capital outlay | 81,479 | 0 | 0 | 0 |
| Total Expenditures | 1,301,638 | 1,013,042 | 121,514 | 605,174 |
| Net Change in Fund Balances | (30,290) | 0 | 0 | 0 |
| FUND BALANCES AT BEGINNING OF YEAR | 180,376 | 0 | 0 | 0 |
| FUND BALANCES AT END OF YEAR | \$ 150,086 | \$ 0 | \$ 0 | \$ 0 |

Exhibit 5

| DRUG FREE SCHOOL | VOCATIONAL EDUCATION/ EETT/LA4 | REAP | MISCELLANEOUS FEDERAL FUNDS | EDUCATION JOBS | TOTAL |
|---------------------|--------------------------------------|--------|-----------------------------------|-------------------|------------|
| \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 1,485 |
| 0 | 0 | 0 | 0 | 0 | 274,424 |
| 0 | 0 | 0 | 0 | 0 | 1,740 |
| 0 | 0 | 0 | 0 | 0 | 177,700 |
| 0 | 14,432 | 0 | 122,846 | 0 | 137,278 |
| 8,925 | 203,511 | 29,754 | 8,587 | 467,307 | 3,273,813 |
| 8,925 | 217,943 | 29,754 | 131,433 | 467,307 | 3,866,440 |
| 0 | 184,141 | 0 | 122,846 | 132,964 | 687,305 |
| 0 | 0 | 0 | 6,983 | 56,434 | 220,680 |
| 8,925 | 33,783 | 27,611 | 254 | 48,989 | 895,772 |
| 0 | 0 | 0 | 1,604 | 17,821 | 131,104 |
| 0 | 0 | 0 | 0 | 62,588 | 380,414 |
| 0 | 19 | 2,143 | 0 | 11,881 | 141,747 |
| 0 | 0 | 0 | 0 | 47,524 | 47,524 |
| 0 | 0 | 0 | 0 | 5,940 | 5,940 |
| 0 | 0 | 0 | 0 | 29,702 | 29,702 |
| 0 | 0 | 0 | 0 | 47,524 | 49,218 |
| 0 | 0 | 0 | 0 | 5,940 | 1,226,099 |
| 0 | 0 | 0 | 0 | 0 | 81,479 |
| 8,925 | 217,943 | 29,754 | 131,687 | 467,307 | 3,896,984 |
| 0 | 0 | 0 | (254) | 0 | (30,544) |
| 0 | 0 | 0 | 254 | 0 | 180,630 |
| \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 150,086 |

Jackson Parish School Board



Jackson Parish School Board

Nonmajor Debt Service Funds

QUITMAN BOND

WESTON BOND

JONESBORO HODGE GENERAL OBLIGATION

JPSB (JACKSON PARISH SCHOOL BOARD) CERTIFICATE OF INDEBTEDNESS

WESTON-QUITMAN CERTIFICATE OF INDEBTEDNESS 2004

TAXABLE QSCB SERIES 09

TAXABLE QSCB SERIES 11

The debt service funds are used to accumulate monies to pay outstanding bond issues. The bonds were issued by the respective school districts to acquire land for building sites and to purchase, erect, and improve school buildings, equipment, and furnishings. The bond issues are financed by an ad valorem tax on property within the legal boundaries of the respective school districts.

JACKSON PARISH SCHOOL BOARD

NONMAJOR DEBT SERVICE FUNDS

Combining Balance Sheet

June 30, 2011

| | QUITMAN BOND | WESTON BOND | JONESBORO HODGE GENERAL OBLIGATION |
|--|--------------------------|--------------------------|---|
| ASSETS | | | |
| Cash and cash equivalents | \$ 109,453 | \$ 112,186 | \$ 224,874 |
| Interfund receivables | <u>0</u> | <u>0</u> | <u>0</u> |
| TOTAL ASSETS | <u><u>109,453</u></u> | <u><u>112,186</u></u> | <u><u>224,874</u></u> |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities: | | | |
| Interfund payables | <u>0</u> | <u>16,245</u> | <u>0</u> |
| Total Liabilities | <u><u>0</u></u> | <u><u>16,245</u></u> | <u><u>0</u></u> |
| Fund Balances: | | | |
| Restricted | <u>109,453</u> | <u>95,941</u> | <u>224,874</u> |
| Total Fund Balances | <u><u>109,453</u></u> | <u><u>95,941</u></u> | <u><u>224,874</u></u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u><u>\$ 109,453</u></u> | <u><u>\$ 112,186</u></u> | <u><u>\$ 224,874</u></u> |

Exhibit 6

| JPSB CERTIFICATE OF INDEBTEDNESS | WESTON - QUITMAN CERTIFICATE OF INDEBTEDNESS 2004 | TAXABLE QSCB SERIES 09 | TAXABLE QSCB SERIES 11 | TOTAL |
|---|---|------------------------------|------------------------------|--------------|
| \$ 0 | \$ 4,619 | \$ 399,985 | \$ 293,696 | \$ 1,144,813 |
| 38,245 | 0 | 0 | 0 | 38,245 |
| 38,245 | 4,619 | 399,985 | 293,696 | 1,183,058 |
| 0 | 0 | 0 | 0 | 16,245 |
| 0 | 0 | 0 | 0 | 16,245 |
| 38,245 | 4,619 | 399,985 | 293,696 | 1,166,813 |
| 38,245 | 4,619 | 399,985 | 293,696 | 1,166,813 |
| \$ 38,245 | \$ 4,619 | \$ 399,985 | \$ 293,696 | \$ 1,183,058 |

JACKSON PARISH SCHOOL BOARD

NONMAJOR DEBT SERVICE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance
For the Year Ended June 30, 2011

| | QUITMAN BOND | WESTON BOND | JONESBORO HODGE GENERAL OBLIGATION |
|--|--------------------------|-------------------------|---|
| REVENUES | | | |
| Local sources: | | | |
| Taxes: | | | |
| Ad valorem | \$ 0 | \$ 0 | \$ 353,187 |
| Interest earnings | 0 | 0 | 2,410 |
| Total Revenues | <u>0</u> | <u>0</u> | <u>355,597</u> |
| EXPENDITURES | | | |
| Current: | | | |
| Support services: | | | |
| General administration | 0 | 0 | 13,165 |
| Capital outlay | 0 | 0 | 4,287 |
| Debt service: | | | |
| Principal retirement | 245,000 | 175,000 | 255,000 |
| Interest and bank charges | 10,429 | 9,563 | 47,669 |
| Total Expenditures | <u>255,429</u> | <u>184,563</u> | <u>320,121</u> |
| EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES | <u>(255,429)</u> | <u>(184,563)</u> | <u>35,476</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | 0 | 0 | 0 |
| Transfers out | 0 | 0 | 0 |
| Total Other Financing Sources (Uses) | <u>0</u> | <u>0</u> | <u>0</u> |
| Net Change in Fund Balances | <u>(255,429)</u> | <u>(184,563)</u> | <u>35,476</u> |
| FUND BALANCES, AT BEGINNING OF YEAR | <u>364,882</u> | <u>280,504</u> | <u>189,398</u> |
| FUND BALANCES, AT END OF YEAR | <u><u>\$ 109,453</u></u> | <u><u>\$ 95,941</u></u> | <u><u>\$ 224,874</u></u> |

Exhibit 7

| JPSB CERTIFICATE OF INDEBTEDNESS | WESTON - QUITMAN CERTIFICATE OF INDEBTEDNESS 2004 | TAXABLE QSCB SERIES 09 | TAXABLE QSCB SERIES 11 | TOTAL |
|---|---|------------------------------|------------------------------|--------------|
| \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 353,187 |
| 0 | 0 | 0 | 0 | 2,410 |
| 0 | 0 | 0 | 0 | 355,597 |
| 0 | 0 | 0 | 0 | 13,165 |
| 0 | 0 | 0 | 0 | 4,287 |
| 0 | 52,080 | 400,000 | 0 | 1,127,080 |
| 0 | 6,882 | 22,500 | 27,715 | 124,758 |
| 0 | 58,962 | 422,500 | 27,715 | 1,269,290 |
| 0 | (58,962) | (422,500) | (27,715) | (913,693) |
| 0 | 63,581 | 845,985 | 321,411 | 1,230,977 |
| 0 | 0 | (423,500) | 0 | (423,500) |
| 0 | 63,581 | 422,485 | 321,411 | 807,477 |
| 0 | 4,619 | (15) | 293,696 | (106,216) |
| 38,245 | 0 | 400,000 | 0 | 1,273,029 |
| \$ 38,245 | \$ 4,619 | \$ 399,985 | \$ 293,696 | \$ 1,166,813 |

Jackson Parish School Board

Agency Funds

SCHOOL ACTIVITIES AGENCY FUND The activities of the various individual school accounts are accounted for in the school activities agency fund. While the accounts are under the supervision of the School Board, they belong to the individual schools or their student bodies and are not available for use by the School Board.

JACKSON PARISH SCHOOL BOARD

AGENCY FUNDS

**Statement of Fiduciary Assets and Liabilities
June 30, 2011**

Exhibit 8

**SCHOOL
ACTIVITIES
AGENCY
FUND**

ASSETS

Cash and cash equivalents

\$ 331,681

Total assets

331,681

LIABILITIES:

Deposits due others

331,681

Total liabilities

\$ 331,681

JACKSON PARISH SCHOOL BOARD

SCHOOL ACITMITE AGENCY FUND
Schedule of Changes in Deposits Due Others
For the Year Ended June 30, 2011

Exhibit 9

| <u>SCHOOL</u> | <u>Balance, Beginning</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance, Ending</u> |
|--------------------------|-------------------------------|-------------------|-------------------|----------------------------|
| Jonesboro-Hodge Jr. High | \$ 8,500 | \$ 43,303 | \$ 42,000 | \$ 9,803 |
| Jonesboro-Hodge Sr. High | 37,224 | 231,860 | 223,316 | 45,768 |
| Quitman High | 117,214 | 296,956 | 278,315 | 135,855 |
| Southside Elementary | 4,945 | 32,560 | 29,979 | 7,526 |
| Weston High | 119,189 | 349,930 | 336,390 | 132,729 |
| Total | <u>\$ 287,072</u> | <u>\$ 954,609</u> | <u>\$ 910,000</u> | <u>\$ 331,681</u> |

Jackson Parish School Board

**Schedule of Compensation Paid Board Members
For the Year Ended June 30, 2011**

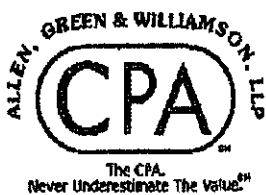
Exhibit 10

The schedule of compensation paid School Board members is in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the School Board members is included in the general administrative expenditures of the general fund. In accordance with Louisiana Revised Statute 17:56, the School Board members have elected the monthly payment method of compensation. Under this method, each member of the School Board receives \$400 per month and the President receives \$500 per month.

| <u>Board Member</u> | <u>Amount</u> |
|---------------------------------|-----------------|
| Melissa Perry, President | \$ 8,400 |
| Calvin Waggoner, Vice President | 7,200 |
| Wade McBride | 7,200 |
| Gerry Mims | 7,200 |
| Harvey T. Robinson | 7,200 |
| Dennis Clary | 7,200 |
| Mary Saulters | <u>7,200</u> |
| TOTAL | <u>\$51,600</u> |

Jackson Parish School Board

SINGLE AUDIT INFORMATION



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(Retired) 1963 - 2000

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

Board Members

Jackson Parish School Board
Jonesboro, Louisiana

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Jackson Parish School Board as of and for the year ended June 30, 2011, which collectively comprise the School Board's basic financial statements and have issued our report thereon dated December 21, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

The management of the School Board is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the School Board's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness and other deficiencies that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the School Board's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as 11-F2 to be a material weakness.

A *significant deficiency* is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings and Question Costs as 11-F1, 11-F3, 11-F4, and 11-F5, and 11-F6 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or matter that is required to be reported under Government Auditing Standards which are described in the accompanying Schedule of Findings and Questioned Costs as item 11-F1 and 11-F6.

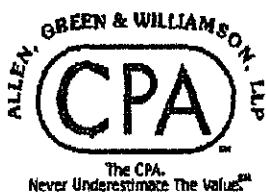
The School Board's responses to the findings identified in our audit are described in the accompanying Corrective Action Plan of Current Year Audit Findings and Questioned Costs. We did not audit the School Board's responses and accordingly, we express no opinion on it.

We noted certain matters that we reported to management of the School Board in a separate letter dated December 21, 2011.

This report is intended solely for the information and use of the Board, management, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513 this report is distributed by the office of the Louisiana Legislative Auditor as a public document.

Allen, Green & Williamson, LLP
ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
December 21, 2011



ALLEN, GREEN & WILLIAMSON, LLP

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(Retired) 1963 - 2000

Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133

Independent Auditors' Report

Board Members
Jackson Parish School Board
Jonesboro, Louisiana

Compliance

We have audited Jackson Parish School Board's compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of the School Board's major federal programs for the year ended June 30, 2011. The School Board's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the School Board's management. Our responsibility is to express an opinion on the School Board's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the School Board's compliance with those requirements.

In our opinion, the School Board complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 11-F7, 11-F8, and 11-F9.

Internal Control Over Compliance

The management of the School Board is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School Board's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control over compliance.

A *deficiency* in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness* in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying Schedule of Findings and Questioned Costs as items 11-F7, 11-F8, and 11-F9. A *significant deficiency* in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The School Board's responses to the findings identified in our audit are described in the accompanying Corrective Action Plan for Current Year Audit Findings and Questioned Costs. We did not audit the School Board's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of the Board, management, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513 this report is distributed by the office of the Louisiana Legislative Auditor as a public document.


ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
December 21, 2011

Jackson Parish School Board
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

| FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME | CFDA Number | Pass Through Grantor No. | Expenditures |
|--|------------------------|-------------------------------------|---------------------|
| United States Department of Agriculture | | | |
| Passed Through Louisiana Department of Education: | | | |
| Child Nutrition Cluster: | | | |
| Non Cash Assistance (Commodities): | | | |
| National School Lunch Program | 10.555 | N/A | \$ 65,346 |
| Cash Assistance: | | | |
| School Breakfast Program | 10.553 | N/A | 206,620 |
| National School Lunch Program | 10.555 | N/A | 544,038 |
| Total Child Nutrition Cluster | | | <u>816,004</u> |
| Total United States Department of Agriculture | | | <u>816,004</u> |
| United States Department of Education | | | |
| Passed Through Louisiana Department of Education: | | | |
| Title I Part A Cluster: | | | |
| Basic Grant Program | 84.010A | 28-11-T1-25 | 818,922 |
| Title I ARRA | 84.389A | 28-09-A1-25 | 194,115 |
| Total Title I Part A Cluster | | | <u>1,013,037</u> |
| Special Education Cluster: | | | |
| Grants to States (Part B) | 84.027A | 28-11-B1-25 28-10-B1-25 | 420,434 |
| Preschool Grants | 84.173A | 28-11-P1-25 | 2,046 |
| IDEA Part B ARRA | 84.391A | 28-09-A1-25 | 186,354 |
| Preschool Grants ARRA | 84.392A | 28-09-AP-25 | 4,927 |
| Total Special Education Cluster | | | <u>613,761</u> |
| Title II (Teacher and Principal Training and Recruiting) | 84.367A | 28-11-50-25 28-10-50-25 | 124,469 |
| Title IV (Safe and Drug Free Communities - State Grant) | 84.186A | 28-11-70-25 28-10-70-25 | 8,925 |
| Educational Technology State Grants Cluster: | | | |
| Enhancing Education Through Technology | 84.318X | 28-10-49-25 | 1,662 |
| Education Technology State Grants, Recovery Act | 84.386A | 28-09-59-25 | 1,813 |
| Total Educational Technology State Grants Cluster | | | <u>3,475</u> |
| Vocational Education: | | | |
| Basic Grants to States | 84.048 | 28-11-02-25 | 34,999 |
| Education Jobs Grant-ARRA | 84.410A | 28-11-EJ-25 | 467,307 |
| Rural Education Achievement Program (REAP) | 84.358B | 28-10-RE-25 | 29,754 |
| Total United States Department of Education | | | <u>2,295,727</u> |
| United States Department of Health & Human Services | | | |
| Passed Through Louisiana Department of Education: | | | |
| TANF - The Cecil J. Picard LA4 Early Childhood Program | 93.558 | 28-11-36-25 | 163,298 |
| Total United States Department of Health & Human Services | | | <u>163,298</u> |
| TOTAL FEDERAL AWARDS | | | <u>\$ 3,275,029</u> |

Jackson Parish School Board
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

NOTE 1 - GENERAL The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Jackson Parish School Board. The School Board reporting entity is defined in Note 1 of the notes to the basic financial statement to the School Board's annual financial report. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included in the schedule.

NOTE 2 - BASIS OF ACCOUNTING The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 of the notes to the basic financial statement to the School Board's annual financial report.

NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS Federal awards revenues are reported in the School Board's basic financial statements as follows:

| | <u>Federal Sources</u> |
|----------------------------------|----------------------------|
| Major funds: | |
| General | \$ 1,216 |
| Non major special revenue funds: | |
| Child Nutrition | 816,004 |
| Title I | 1,013,037 |
| Title II | 121,514 |
| Special Education | 605,174 |
| Drug Free School | 8,925 |
| Vocational Education/EETT/LA4 | 203,511 |
| REAP | 29,754 |
| Miscellaneous Federal Funds | 8,587 |
| Education Jobs | 467,307 |
| Total | <u>\$ 3,275,029</u> |

NOTE 4 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with accounting principles generally accepted in the United States of America.

NOTE 5 - MATCHING REVENUES For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures.

NOTE 6 - NONCASH PROGRAMS The commodities received, which are noncash revenues, are valued using prices provided by the United States Department of Agriculture.

**Jackson Parish School Board
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011**

PART I - Summary of the Auditors' Results

Financial Statement Audit

- i. The type of audit report issued was unqualified.
- ii. There were six significant deficiencies required to be disclosed by Government Auditing Standards, issued by the Comptroller General of the United States of America.

The significant deficiency described as 11-F2 was considered to be a material weakness.

- iii. There were two instances of noncompliance considered material, as defined by the Government Auditing Standards, to the financial statement.

Audit of Federal Awards

- iv. There were three significant deficiencies required to be disclosed by OMB Circular A-133.
The significant deficiencies were not considered to be material weaknesses.
- v. The type of report the auditor issued on compliance for major programs was unqualified.
- vi. The audit disclosed three audit findings which the auditor is required to report under OMB Circular A-133, Section .510(a).
- vii. The major federal programs are:

Title I cluster:

| | |
|----------------|---------------|
| Title I Part A | CFDA# 84.010A |
| Title I ARRA | CFDA# 84.389A |

Special Education cluster:

| | |
|--------------------|---------------|
| IDEA (Part B) | CFDA# 84.027A |
| IDEA (Part B) ARRA | CFDA# 84.391A |
| Preschool | CFDA# 84.173A |
| Preschool ARRA | CFDA# 84.392A |

| | |
|---------------------|---------------|
| Education Jobs-ARRA | CFDA# 84.410A |
|---------------------|---------------|

| | |
|----------|---------------|
| Title II | CFDA# 84.367A |
|----------|---------------|

- viii. The dollar threshold used to distinguish between Type A and Type B programs as described in OMB Circular A-133, Section .520(b) was \$300,000.
- ix. The auditee does not qualify as a low-risk auditee under OMB Circular A-133, Section .530.

**Jackson Parish School Board
Schedule of Findings an Questioned Costs
For the Year Ended June 30, 2011**

Part II -- Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards generally accepted in the United States of America:

Reference # and title: **11-F1** **Violation of the Public Bid Law**

Entity-Wide or program /department specific: This finding is entity wide.

Criteria or specific requirement: The Louisiana State Bid Law R. S. 38:2212.1 reads in part, "all purchases of materials and supplies exceeding the sum of thirty thousand dollars to be paid out of public funds shall be advertised and awarded by contract to the lowest responsible bidder".

Condition: In reviewing board minutes for the Building and Grounds Committee from March 14, 2011, it was noted that the School Board approved purchasing playground equipment for three schools totaling \$82,078. The School Board did not follow the Louisiana State Bid Law and complete the process for bids on the playground equipment.

Possible asserted effect (cause and effect):

Cause: The auditor was unable to determine the cause for the exceptions noted above.

Effect: The School Board did not meet the requirements of the Louisiana State Bid Law.

Recommendations to prevent future occurrences: The School Board should establish procedures to ensure the requirements of the bid law are followed for all future purchases.

Reference # and title: **11-F2** **Inadequate Internal Control Over Financial Reporting**

Entity-Wide or program/department specific: This finding is entity-wide.

Criteria or specific requirement: Good internal control over financial reporting requires that accounting records contain accurate and complete information which would ensure that financial data can be relied upon to monitor the financial well-being of the School Board. In testing fifteen cash receipts, there were six deposits which were not deposited timely (within 3 business days).

Condition found: During the examination of the School Board's accounting records, the following items were noted:

- In reviewing six bank reconciliations, one of the bank reconciliations was not completed timely. Also noted were several outstanding checks greater than one year old on the reconciliations for the General Fund, Payroll Fund, and Sales Tax Fund bank accounts. It was also noted that three of the six bank reconciliations were not initialed and dated as reviewed. In testing cash receipts, six of the fifteen deposits were not deposited in a timely manner (within 3 business days).
- In the search for unrecorded liabilities, it was noted that three invoices totaling approximately \$169,000 were not accrued at June 30, 2011.
- In testing unrecorded receivables, there were two amounts found recorded as an accounts receivable which should have been recorded as due from other funds.

**Jackson Parish School Board
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011**

Part II – Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards generally accepted in the United States of America:

- In testing income, it was noted that income was credited to one fund for \$72,332 when it should have been credited against a due from general ledger account and an accounts receivable in the amount of \$15,830 had not been recorded for Medicaid.
- In testing expenditures, it was noted that the School Board does not properly allocate group benefits among the functions that the employee's salary is being charged.
- In testing income for federal programs, it was noted that the School Board is not transferring monies received for State and Federal programs to the corresponding funds in a timely manner.
- It was noted that the School Board is not always requesting funds from the state on cost reimbursement programs in a timely manner.

Possible asserted effect (cause and effect):

Cause: The auditor was unable to determine the cause.

Effect: The internal controls over the financial reporting are weakened.

Recommendations to prevent future occurrences: The School Board should establish policies and procedures to ensure adequate internal controls over financial reporting and to ensure those policies and procedures are adhered to.

Reference # and title: **11-F3** **Internal Controls – Maintenance Department**

Entity-wide or program/department specific: This finding is specific to the maintenance department.

Criteria or specific requirement: Good internal controls include having documentation of a work order to initiate the process and a completion date indicating all work has been done. Invoices should be paid in a timely manner and procedures in place to ensure no duplicate payments are made. To follow good business practice, requests for proposal (RFP) should be taken for routine maintenance required during the year.

Condition found: In testing invoices for the maintenance department, it was noted that the School Board does not have a work order system in place that could be adequately tested in the audit process. It was also noted that routine maintenance projects are performed by the same vendor throughout the year.

In testing twenty maintenance disbursements, the following items were noted:

- One invoice was noted in which an employee of a vendor signed for the purchase and charged it to the School Board.
- Two invoices were noted totaling \$400 each which appeared to be duplicates of the work performed.
- One check was noted dated December 13, 2010, in which the dates on the invoices ranged from December 30, 2009 to December 8, 2010.
- One check was noted dated December 16, 2010, in which the dates on the invoices ranged from August 2, 2010 to November 29, 2010.
- On one check dated June 9, 2011, the dates on the invoices were from February and March, 2011.

**Jackson Parish School Board
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011**

Part II – Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards generally accepted in the United States of America:

Possible asserted effect (cause and effect):

Cause: The auditor was unable to determine the cause.

Effect: Internal controls over maintenance activities have been weakened.

Recommendation to prevent future occurrences: The School Board should establish a work order system to provide adequate documentation from initiation to completion. Procedures should be established to ensure invoices are paid in a timely manner and that duplicate payments do not occur. The School Board should consider accepting requests for proposal (RFP) for routine maintenance performed throughout the year.

Reference # and title: **11-F4** **Disbursements**

Entity-Wide or program/department specific: This finding is entity-wide.

Criteria or specific requirement: Proper internal controls over payroll disbursements require that proper documentation should be kept in personnel files to determine existence of employment, proper classifications and salaries of employees based upon experience, education levels, and approved salary schedule.

Good internal controls over vendor disbursements include procedures to ensure all documentation is present before making payment such as original invoice, approvals by appropriate personnel, and purchase orders. The calculations for the amount of payment should be reviewed to ensure the proper amount is paid to the vendor and the coding of the payment for recording in the general ledger sure the review to ensure proper accounting. All charges should be review for evidence that they are reasonable and necessary and follow the School Board's policies and procedures.

Condition found: In testing payroll disbursements, the following exceptions were noted:

General - In testing 39 payroll disbursements, the following exceptions were noted:

- Two exceptions in which there was no documentation for employer/employee relationship.
- Five exceptions in which the salary/hourly rate did not agree with personnel documentation.
- Three exceptions in which the payroll check was not computer generated.
- Two exceptions in which the time records were not signed by the employee.
- Five exceptions in which the charges did not appear to be necessary and reasonable for the proper administration of the agency/program/fund.
- Five exceptions in which the computation of salaries was not correct based on the hours worked and/or salary approved by the board.
- Four exceptions in which the accounting distribution/classification was not consistent and/or correctly posted.

**Jackson Parish School Board
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011**

Part II – Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards generally accepted in the United States of America:

Title I - In testing 27 payroll disbursements, the following exceptions were noted:

- One exception in which there was no documentation for employer/employee relationship.
- One exception in which the charges did not appear to be necessary and reasonable for the proper administration of the agency/program/fund.

Special Education - In testing 17 payroll disbursements, the following exceptions were noted:

- One exception noted for salary/hourly rate did not agree with personnel documentation and computation is correct.
- One exception in which the charges did not appear to be necessary and reasonable for the proper administration of the agency/program/fund.

Test of administrative salaries: During testing of 5 administrative salaries, it was noted that one employee was overpaid.

In testing vendor disbursements, the following exceptions were noted:

General - In testing 25 vendor disbursements, the following exceptions were noted:

- Four exceptions noted in which there was no purchase order.
- Three exceptions noted in which the amount of the checks were calculated incorrectly.

Title I - In testing 14 vendor disbursements, the following exceptions were noted:

- One exception for not having proper documentation for travel reimbursement.
- One exception for unnecessary charges for travel costs.

Special Education - In testing 24 vendor disbursements, the following exceptions were noted:

- Two exceptions in which there was no purchase order.
- One exception in which the invoice payment was not approved by appropriate personnel.

Education Jobs - In testing 2 vendor disbursements, the following exceptions were noted:

- Two exceptions in which the amount of the charge was not properly recorded.

In testing travel expense, there were two exceptions noted. One exception in which reimbursement was made to employee for purchase of non-School Board items. The other exception was the School Board was not used as the starting point for mileage reimbursement.

**Jackson Parish School Board
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011**

Part II -- Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards generally accepted in the United States of America:

Possible asserted effect (cause and effect):

Cause: The auditor was unable to determine the cause.

Effect: Internal control over disbursements is weakened.

Recommendations to prevent future occurrences: The School Board should have proper internal controls over payroll disbursements to ensure documentation is kept in personnel files to determine existence of employment, proper classifications and salaries of employees based upon experience, education levels, and approved salary schedule.

The School Board should have proper internal controls over vendor disbursements to ensure all documentation (original invoice, purchase order, etc.) before payment is made to vendor. The calculation of the amount to be paid and recording in the general ledger should be reviewed to ensure correctness. All invoices should have the proper approvals before payment to ensure the charge is appropriate and necessary for administration of the agency/program/fund.

Reference # and title: **11-F5** **School Activity Funds**

Entity-Wide or program/department specific: This finding is specific to the student activity funds.

Criteria or specific requirement: Schools should follow the best practices stated in the Louisiana Legislative Auditor's School Accounting Procedures Manual.

Condition found: The following exceptions were noted at the three schools audited for the 2010-2011 school year:

While testing 15 cash receipts at each of the three schools selected, a total of 18 exceptions were noted.

- At Jonesboro Hodge High School, two exceptions were noted in which deposits were made untimely, and six exceptions were noted in which timeliness could not be determined due to no dates on receipt logs.
- At Weston High School, two exceptions were noted in which the individual receipts within the deposit could not be traced to the related account ledger card, teacher log/receipt, etc.
- At Quitman High School, two exceptions were noted in which deposits were made untimely, and three exceptions were noted in which timeliness could not be determined. Also at Quitman High School, three exceptions were noted in which the individual receipts within the deposit could not be traced to the related account ledger card, teacher log/receipt, etc.

While testing 25 cash disbursements at each of the three schools selected, a total of 22 exceptions were noted.

- At Jonesboro Hodge High School, the following exceptions were noted: one exception in which the check was not signed by authorized personnel, one exception for no evidence of receipts of goods or services, three exceptions in which the charge was not supported by proper documentation, three exceptions in which the invoice date was not current when compared to the date of the check, one exception in which the accounting distribution was not correctly posted, one exception in which the charges did not appear to be necessary and

**Jackson Parish School Board
Schedule of Findings an Questioned Costs
For the Year Ended June 30, 2011**

Part II – Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards generally accepted in the United States of America:

reasonable, and one exception in which the charge was not in accordance with the School Board's financial policies.

- At Weston High School, the following exceptions were noted: three exceptions in which the invoice amount did not agree with the check amount, three exceptions in which the charge was not supported by proper documentation, one exception in which the accounting distribution was not correctly posted, one exception in which the charges did not appear to be necessary and reasonable, and one exception in which the charge was not in accordance with the School Board's financial policies.
- At Quitman High School, the following exceptions were noted: one exception in which the charges did not appear to be necessary and reasonable, and one exception in which the charge was not in accordance with the School Board's financial policies.

Possible asserted effect (cause and effect):

Cause: The auditor was unable to determine the cause.

Effect: The internal controls over student activity funds are weakened.

Recommendations to prevent future occurrences: The School Board should establish procedures to ensure that the best practices stated for student activity funds in the Louisiana Legislative Auditor's School Accounting Procedures Manual are adhered to.

Reference # and title: **11-F6** **70% Instructional Expenditures**

Entity-wide or program/department specific: This finding is entity-wide.

Criteria or specific requirement: Per Louisiana Senate Concurrent Resolution No. 142 of the 1993 Regular Session, School Boards are required to spend at least 70% of the general fund's total expenditures for instruction and support.

Condition found: The School Board did not meet the 70% requirement.

Possible asserted effect (cause and effect):

Cause: The auditor was unable to determine the cause.

Effect: The School Board is in violation of state law.

Recommendations to prevent future occurrences: The School Board should strive to budget according to the state requirements and cut expenses in other areas to achieve the 70% goal in order to be within compliance.

**Jackson Parish School Board
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011**

Part III – Findings and questioned costs for federal awards which are required to be reported under OMB Circular A-133 Section .510(a):

Reference # and title: **11-F7** **Reporting of Financial Data**

Federal program and specific Federal award identification: This finding relates to Title I Cluster: Title I CFDA# 84.010A and Title I ARRA CFDA# 84.389A, Special Education Cluster: Special Education CFDA# 84.027A and Special Education- ARRA CFDA# 84.391A, and Title II CFDA# 84.367A for Federal Award Year 2011, received from Federal Agency U. S. Department of Education passed through Louisiana Department of Education.

Criteria or specific requirement: Periodic Expense Reports are to be completed using accumulated expenditures to date and the amounts should tie to the expenditures in the general ledger. Additionally, internal controls should be established to ensure adequate monitoring of reports submitted to the State for completeness and accuracy.

Condition found: In testing a sample of periodic expense reports (PER) for the Title I and Title I-ARRA, it was noted that the School Board did not properly report the full amount of expenditures on PER #3 and PER #7, respectively, due to the School Board only including expenditures through February 28, 2011, not the expenditures as of March 31, 2011. On the Title I PER#5, the PER should have been the accumulated expenditures for the full first three quarters, however, the amount reported was through May 31, 2010, not through September 30, 2010. The same occurred with Title I-ARRA PER#8, except accumulated expenditures were through March 31, 2011, not through June 30, 2011. Additionally, it was noted that the School Board did not properly submit the amount of total vendor payments and total cumulative expenditures to the State under the ARRA sub-recipient reporting section. It was also noted that the PER reports and the requests for reimbursements are not being reviewed by management for completeness and accuracy before submitted to the State.

In testing a sample of periodic expense reports (PER) for the IDEA and IDEA-ARRA programs, it was noted that the School Board underreported total expenditures due to the last request for expenditures was not included in the final count on PER#3 and PER#7, respectively. The PER included through February 28, 2011, not through March 31, 2011. Additionally, it was noted that the School Board did not properly submit the amount of total vendor payments and total cumulative expenditures to the State under the ARRA subrecipient reporting section. It was also noted that the PER reports are not being reviewed by management for completeness and accuracy before submitted to the State.

In testing a sample of periodic expense reports (PER) for the Title II program, it was noted that the School Board underreported total expenditures due to the last request for expenditures was not included in the final count on PER#2. The PER included through November 30, 2010, not through December 31, 2010. It was also noted that the PER reports are not being reviewed by management for completeness and accuracy before submitted to the State.

Possible asserted effect (cause and effect):

Cause: The auditor was unable to determine the cause.

Effect: The School Board reported incorrect data to the state of the expenditures of federal awards.

Recommendation to prevent future occurrences: The periodic expense reports and requests for reimbursement should be reviewed for accuracy and approved by someone in management before they are submitted to the State.

**Jackson Parish School Board
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011**

Part III – Findings and questioned costs for federal awards which are required to be reported under OMB Circular A-133 Section .510(a):

Reference # and title: **11-F8** **School-wide Programs**

Federal program and specific Federal award identification: This finding relates to Title I Cluster: Title I CFDA# 84.010A and Title I ARRA CFDA# 84.389A, Special Education Cluster: Special Education CFDA# 84.027A, Special Education- ARRA CFDA# 84.391A, Preschool CFDA# 84.173A and Preschool-ARRA CFDA# 84.392A and Title II CFDA# 84.367A for Federal Award Year 2011, received from Federal Agency U. S. Department of Education passed through Louisiana Department of Education.

Criteria or specific requirement: According to 34 CFR 200.26-200.28, schools participating in schoolwide programs should have a school wide plan which addresses the following core elements and components:

- Comprehensive needs assessment of the entire school
- Comprehensive plan based on data from the needs assessment
- Annual evaluation of the results achieved by the school-wide program and revisions of the schoolwide plan based on that evaluation
- Schoolwide reform strategies
- Instruction by highly qualified professional staff
- Strategies to increase parental involvement
- Additional support to students experiencing difficulty
- Transition plans for assisting preschool children in the successful transition to the school-wide program.

Additionally, the school should maintain records of the comprehensive needs assessment of the entire school and an annual evaluation of results achieved. Finally, the school wide improvement plan should be complete and accurate.

Condition: In reviewing school-wide plans for one of the two Title I schools in the parish, it was noted that the plan did not include every required element and component. The plan did not specifically address transition plans for preschool students, instruction by highly qualified staff, or students in need.

Possible asserted effect (cause and effect):

Cause: The school did not have a completed plan that addressed all the required elements and components.

Effect: The School Board was not in compliance with federal requirements.

Recommendations to prevent future occurrences: The School Board should ensure that every school prepares a school-wide plan that addresses each of the required core elements and components. The State provides a template for these plans that provides sections for each of the required core elements and components. Completing these templates entirely would help ensure that each of the core elements and components are addressed within the plans

**Jackson Parish School Board
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011**

Part III – Findings and questioned costs for federal awards which are required to be reported under OMB Circular A-133 Section .510(a):

| <u>Reference # and title:</u> | <u>11-F9</u> | <u>Disbursements</u> |
|-------------------------------|--------------|----------------------|
|-------------------------------|--------------|----------------------|

Federal program and specific Federal award identification: This finding relates to Title I Cluster: Title I CFDA# 84.010A and Title I ARRA CFDA# 84.389A, Special Education Cluster: Special Education CFDA#84.027A, Special Education- ARRA CFDA# 84.391A, Preschool CFDA# 84.173A and Preschool-ARRA CFDA# 84.392A and Education Jobs CFDA# 84.410A for Federal Award Year 2011, received from Federal Agency U. S. Department of Education passed through Louisiana Department of Education.

SEE PART II FINDING 11-F4 FOR CONDITION FOUND & RECOMMENDATIONS

Jackson Parish School Board

OTHER INFORMATION

**Jackson Parish School Board
Status of Prior Year Audit Findings
June 30, 2011**

Reference # and title: **10-F1** **Inadequate Internal Control Over Financial Reporting**

Origination Date: This finding originated fiscal year ended June 30, 2009.

Entity-Wide or program/department specific: This finding is entity-wide.

Condition: Good internal control over financial reporting requires that accounting records contain accurate and complete information which would ensure that financial data can be relied upon to monitor the financial well-being of the School Board.

During the examination of the School Board's accounting records, the following items were noted:

- In testing six bank reconciliations, it was noted that two were not prepared timely. Also, there were several checks noted that were outstanding in which the dates ranged from 1995 to 2007.
- While testing income, it was noted that a check was written in July, 2010 from the EFT account to Title I; however, the School Board had back dated the transfer to June, 2010 yet only posted one side of the entry. Therefore, the transfer was reflected in the EFT fund but not in Title I fund. Additionally, it was noted that the School Board is not properly recording amounts remaining in the EFT funds as due to/froms rather than accounts receivables in the funds the monies belong to.
- It was noted that the School Board is not always requesting funds from the state on cost reimbursement programs in a timely manner. In one instance, the School Board deleted expenditures and revenue for the Title I-ARRA program because the funds were not requested timely. However, this is not an acceptable practice and the auditor recorded all expenditures and revenues back on the books. The School Board was able to request these funds after year end. In another instance, the School Board did not request the funds timely for the Title V program, which caused the School Board to move all expenditures to the general fund.
- It was noted that the School Board deleted approximately \$310,000 in expenditures from the maintenance accounts in order to balance the due to/froms in the general fund.
- During the testing of journal entries and internal controls, it was noted that the journal entries were not being reviewed and approved routinely by the business manager. The business manager only reviewed and approved a small amount of journal entries that were posted to the general ledger.
- In testing unrecorded receivables, it was noted that the School Board recorded receivables for the LA4 program in the incorrect fund. Additionally, it was noted that the receivable for the Title XIX monies were not recorded at year end June 30, 2011.
- In testing income for federal programs, it was noted that the School Board is not transferring monies received for State and Federal programs to the corresponding funds in a timely manner.
- In testing payroll disbursements, it was noted that the payroll runs are not always reviewed and approved before the checks are processed. It was also noted that payroll checks are sometimes processed and distributed to staff early yet funds are not transferred to the payroll fund at the time the checks are distributed.

**Jackson Parish School Board
Status of Prior Year Audit Findings
June 30, 2011**

- In testing the check signing log, it was noted that the employee that runs the checks through the check signer are not signing off on the log to ensure proper segregation of duties.

Corrective action planned: See current year finding 11-F2.

Reference # and title: **10-F2** **School Activity Funds**

Origination Date: This finding originated fiscal year ended June 30, 2009.

Entity-Wide or program/department specific: This finding is specific to the student activity funds.

Condition: Schools should follow the best practices stated in the Louisiana Legislative Auditor's School Accounting Procedures Manual.

The follow exceptions were noted at the three schools audited for the 2009-2010 school year.

- While testing 15 cash receipts at each of the three schools selected, it was noted that one school had 1 deposit slip that was not validated, 7 receipts were found that were not to be deposited timely and 2 receipts could not be traced to supporting documentation, in which it was noted that part of the deposit was kept for startup money. At another school, 1 receipt was not deposited timely and 6 receipts could not be traced to supporting documentation, in which it was noted that the total receipts did not agree to the total deposits and the secretary had cashed a personal check with school funds.
- While testing 25 cash disbursements at each of the three schools selected, it was noted that one school had 1 check not properly canceled to prevent duplicate payment, 1 check that did not have proper evidence of receipt of goods/services, 1 check amount did not agree with the invoice, 4 checks did not have proper supporting documentation, 2 checks not paid timely, and 1 check not posted correctly. At another school there was 1 check that did not have all required signatures, 2 checks were not paid timely, 1 check was for a charge that did not appear necessary and reasonable and 2 checks were not in accordance with School Board policy. At the third school, it was noted that 1 check was not paid timely.

Corrective action planned: See current year finding 11-F6.

Reference # and title: **10-F3** **Internal Controls – Maintenance Department**

Origination Date: This finding originated fiscal year ended June 30, 2010.

Entity-wide or program/department specific: This finding is specific to the maintenance department.

Condition: Good internal controls include having documentation of a work order to initiate the process and a completion date indicating all work has been done. Good internal controls also include proper approval for work orders and invoices. Additionally, invoices and work orders should not be split into smaller amounts to bypass the Board policy for approvals.

**Jackson Parish School Board
Status of Prior Year Audit Findings
June 30, 2011**

In testing invoices for the maintenance department, it was noted that the School Board does not have a work order system in place that could be adequately tested in the audit process. Additionally, it was noted that not all invoices over the Board policy of \$1,000 were brought to the Board for approval.

Corrective action planned: See current year finding 11-F3.

Reference # and Title: **10-F4** **Inadequate Internal Controls over Construction**

Origination Date: This finding originated fiscal year ended June 30, 2010.

Entity-Wide or program /department specific: This finding is entity-wide.

Condition: Proper internal controls over construction projects ensures that a listing is maintained for all construction contracts that are currently being performed during the year to ensure all expenditures, including but not limited to work performed by contractors and any subcontractors; which are paid directly by the School Board are being maintained. The listing will ensure that the total costs of construction projects is kept tracked of until the construction is complete and then the full amount paid during the life of the construction contract will be capitalized and depreciated over an estimated useful life. Also, all assets purchased should be added to the capital asset listing of the School Board as soon as the information is known.

While testing capital assets, it was noted that the School Board did not compile a listing of all construction in progress expenditures during the fiscal year, in which the School Board has a significant construction project in progress.

Corrective action taken: The School Board maintained construction in progress listings for 2010-2011.

Reference # and title: **10-F5** **Late Submission of Audit Report to Legislative Auditor**

Origination Date: This finding originated fiscal year ended June 30, 2010.

Entity-Wide or program /department specific: This finding is entity-wide.

Condition: Louisiana Revised Statute 24:513A (5) (a) (i) requires that "...audits shall be completed within six months of the close of the entity's fiscal year".

Although field work was completed in the month of December, there were additional questions which the audit team had regarding certain general ledger accounts. After review by the partner, it was determined that additional review was needed to obtain a comfort level regarding these accounts.

Corrective action taken: The audit report for the June 30, 2011 year will be filed with the Louisiana Legislative Auditor's office by the required date of December 31, 2011.

**Jackson Parish School Board
Status of Prior Year Audit Findings
June 30, 2011**

Reference # and title: **10-F6** **Reporting of Financial Data – Title I**

Origination Date: This finding originated fiscal year ended June 30, 2010.

Federal program and specific Federal award identification: This finding relates to Title I Cluster: Title I CFDA# 84.010A and Title I ARRA CFDA# 84.389A for Federal Award Year 2010, received from Federal Agency U. S. Department of Education passed through Louisiana Department of Education.

Condition: Periodic Expense Reports are to be completed using accumulated expenditures to date and the amounts should tie to the expenditures in the general ledger. Additionally, internal controls should be established to ensure adequate monitoring of reports submitted to the State for completeness and accuracy.

In testing a sample of periodic expense reports (PER) for the Title I-ARRA, it was noted that the School Board did not properly report the full amount of expenditures on PER #4 due to the School Board deleted the month of June's expenditures off the general ledger. Additionally, it was noted that the School Board did not properly submit the amount of total vendor payments and total cumulative expenditures to the State under the ARRA subrecipient reporting section. It was also noted that the PER reports and the requests for reimbursement are not being reviewed by management for completeness and accuracy before submitted to the State.

Corrective action planned: See current year finding 11-F7.

Reference # and title: **10-F7** **Reporting of Financial Data – Special Education ARRA**

Origination Date: This finding originated fiscal year ended June 30, 2010.

Federal program and specific Federal award identification: This finding relates to Special Education ARRA CFDA# 84.391A for Federal Award Year 2010, received from Federal Agency U. S. Department of Education passed through Louisiana Department of Education.

Condition: Periodic Expense Reports are to be completed using accumulated expenditures to date and the amounts should tie to the expenditures in the general ledger. Additionally, internal controls should be established to ensure adequate monitoring of reports submitted to the State for completeness and accuracy.

In testing a sample of periodic expense reports (PER) for the IDEA-ARRA programs, it was noted that the School Board underreported total expenditures due to the last request for expenditures was not included in the final count. Additionally, it was noted that the School Board did not properly submit the amount of total vendor payments and total cumulative expenditures to the State under the ARRA subrecipient reporting section. It was also noted that the PER reports are not being reviewed by management for completeness and accuracy before submitted to the State.

Corrective action planned: See current year finding 11-F7.

**Jackson Parish School Board
Corrective Action Plan for Current-Year Audit Findings
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Reference # and title: **11-F1** **Violation of the Public Bid Law**

Entity-Wide or program /department specific: This finding is entity wide.

Condition: The Louisiana State Bid Law R. S. 38:2212.1 reads in part, "all purchases of materials and supplies exceeding the sum of thirty thousand dollars to be paid out of public funds shall be advertised and awarded by contract to the lowest responsible bidder".

In reviewing board minutes for the Building and Grounds Committee from March 14, 2011, it was noted that the School Board approved purchasing playground equipment for three schools totaling \$82,078. The School Board did not follow the Louisiana State Bid Law and complete the process for bids on the playground equipment.

Corrective action planned: The new management at Jackson Parish School Board will establish procedures to ensure bid law requirements are followed for purchases and that all purchases are in accordance with state regulations and best practice procedures. The new management will work tirelessly to establish procedures to ensure compliance with Public Bid Law is maintained.

Contact person responsible for corrective action:

| | |
|---------------------------------|---------------------------|
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| P. O. Box 705 | |
| Jonesboro, Louisiana 71251-0705 | |

Anticipated completion date: June 30, 2012.

Reference # and title: **11-F2** **Inadequate Internal Control Over Financial Reporting**

Entity-Wide or program/department specific: This finding is entity-wide.

Condition found: Good internal control over financial reporting requires that accounting records contain accurate and complete information which would ensure that financial data can be relied upon to monitor the financial well-being of the School Board. In testing fifteen cash receipts, there were six deposits which were not deposited timely (within 3 business days).

During the examination of the School Board's accounting records, the following items were noted:

- In reviewing six bank reconciliations, one of the bank reconciliations was not completed timely. Also noted were several outstanding checks greater than one year old on the reconciliations for the General Fund, Payroll Fund, and Sales Tax Fund bank accounts.
- In the search for unrecorded liabilities, it was noted that three invoices totaling \$169,869 were not accrued at June 30, 2011.
- In testing unrecorded receivables, there were two amounts found recorded as an accounts receivable which should have been recorded as due from other funds totaling \$99,077.
- In testing income, it was noted that income was credited to one fund for \$72,332 when it should have been credited against a due from general ledger account and an accounts receivable in the amount of \$15,830 had not been recorded for Medicaid.
- In testing expenditures, it was noted that the School Board does not properly allocate group benefits among the functions that the employee's salary is being charged.

**Jackson Parish School Board
Corrective Action Plan for Current-Year Audit Findings
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- In testing income for federal programs, it was noted that the School Board is not transferring monies received for State and Federal programs to the corresponding funds in a timely manner.
- It was noted that the School Board is not always requesting funds from the state on cost reimbursement programs in a timely manner.

Corrective action planned: The new management at Jackson Parish School Board will establish procedures to ensure adequate internal controls over financial reporting and documentation; these findings are unacceptable to new management. Procedures will be implemented to ensure bank reconciliation are completed timely, outstanding checks are cleared within sixty days on bank reconciliations, accruals and deferrals are in compliance with Governmental Accounting Standards, interfund receivables are correctly posted, office of group benefits expenses are adequately allocated according to an employee's salary, income is properly posted, required interfund transfers are recorded timely, and request for funds from the state are timely and accurate. The new management will work tirelessly to make certain proper accounting procedures are in place to ensure issues like these will not be repeated.

Contact person responsible for corrective action:

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Anticipated completion date: June 30, 2012.

Reference # and title: **11-F3** **Internal Controls – Maintenance Department**

Entity-wide or program/department specific: This finding is specific to the maintenance department.

Condition found: Good internal controls include having documentation of a work order to initiate the process and a completion date indicating all work has been done. Invoices should be paid in a timely manner and procedures in place to ensure no duplicate payments are made. To follow good business practice, requests for proposal (RFP) should be taken for routine maintenance required during the year.

In testing invoices for the maintenance department, it was noted that the School Board does not have a work order system in place that could be adequately tested in the audit process. It was also noted that routine maintenance projects are performed by the same vendor throughout the year.

In testing twenty maintenance disbursements, the following items were noted:

- One invoice was noted in which an employee of a vendor signed for the purchase and charged it to the School Board.
- Two invoices were noted totaling \$400 each which appeared to be duplicates of the work performed.
- One check was noted dated December 13, 2010, in which the dates on the invoices ranged from December 30, 2009 to 12/8/2010.
- One check was noted dated December 16, 2010, in which the dates on the invoices ranged from August 2, 2010 to November 29, 2010.
- On one check dated June 9, 2011, the dates on the invoices were from February and March, 2011.

Jackson Parish School Board
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Corrective action planned: The new management at Jackson Parish School Board will work with the maintenance department to establish procedures for work order systems to ensure that only Jackson Parish School Board employees are allowed to sign or charge with local vendors after approval from the central office, duplicate work is never paid for, payments are made timely to vendors and properly reported in the correct year. The Jackson School Board follows best practice procedures to ensure they are being good stewards of taxpayer dollars.

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Anticipated completion date: June 30, 2012.

Reference # and title: **11-F4** **Disbursements**

Entity-Wide or program/department specific: This finding is entity-wide.

Condition found: Proper internal controls over payroll disbursements require that proper documentation should be kept in personnel files to determine existence of employment, proper classifications and salaries of employees based upon experience, education levels, and approved salary schedule.

Good internal controls over vendor disbursements include procedures to ensure all documentation is present before making payment such as original invoice, approvals by appropriate personnel, and purchase orders. The calculations for the amount of payment should be reviewed to ensure the proper amount is paid to the vendor and the coding of the payment for recording in the general ledger sure the review to ensure proper accounting. All charges should be review for evidence that they are reasonable and necessary and follow the School Board's policies and procedures.

In testing payroll disbursements, the following exceptions were noted:

General - In testing 39 payroll disbursements, the following exceptions were noted:

- Two exceptions in which there was no documentation for employer/employee relationship.
- Five exceptions in which the salary/hourly rate did not agree with personnel documentation.
- Three exceptions in which the payroll check was not computer generated.
- Two exceptions in which the time records were not signed by the employee.
- Five exceptions in which the charges did not appear to be necessary and reasonable for the proper administration of the agency/program/fund.
- Five exceptions in which the computation of salaries was not correct based on the hours worked and/or salary approved by the board.
- Four exceptions in which the accounting distribution/classification was not consistent and/or correctly posted.

Titles I - In testing 27 payroll disbursements, the following exceptions were noted:

-
- One exception in which there was no documentation for employer/employee relationship.
- One exception in which the charges did not appear to be necessary and reasonable for the proper administration of the agency/program/fund.

**Jackson Parish School Board
Corrective Action Plan for Current-Year Audit Findings
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Special Education - In testing 17 payroll disbursements, the following exceptions were noted:

- One exception noted for salary/hourly rate did not agree with personnel documentation and computation is correct.
- One exception in which the charges did not appear to be necessary and reasonable for the proper administration of the agency/program/fund.

Test of administrative salaries: During testing of 5 administrative salaries, it was noted that one employee was overpaid.

In testing vendor disbursements, the following exceptions were noted:

General - In testing 25 vendor disbursements, the following exceptions were noted:

- Four exceptions noted in which there was no purchase order.
- Three exceptions noted in which the amount of the checks were calculated incorrectly.

Title I - In testing 14 vendor disbursements, the following exceptions were noted:

- One exception for not having proper documentation for travel reimbursement.
- One exception for unnecessary charges for travel costs.

Special Education - In testing 24 vendor disbursements, the following exceptions were noted:

- Two exceptions in which there was no purchase order.
- One exception in which the invoice payment was not approved by appropriate personnel.

Education Jobs - In testing 2 vendor disbursements, the following exceptions were noted:

- Two exceptions in which the amount of the charge was not properly recorded.

In testing travel expense, there were two exceptions noted. One exception in which reimbursement was made to employee for purchase of non-School Board items. The other exception was the School Board was not used as the starting point for mileage reimbursement.

Corrective action planned: The new management at Jackson Parish School Board will establish procedures for internal controls over payroll and vendor disbursements. The new management will review the policies of Jackson Parish School Board and recommend procedures that will ensure best practices in payments to employees and vendors. The new management will ensure documentation is kept in personnel files to determine existence of employment, proper classifications and salaries of employees based upon experience, education levels, and approved salary schedule. We will also ensure documentation for vendors is kept if we were audited after every transaction.

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Anticipated completion date: June 30, 2012.

**Jackson Parish School Board
Corrective Action Plan for Current-Year Audit Findings
June 30, 2011**

Reference # and title: **11-F5** **School Activity Funds**

Entity-Wide or program/department specific: This finding is specific to the student activity funds.

Condition found: The follow exceptions were noted at the three schools audited for the 2010-2011 school year:

While testing 15 cash receipts at each of the three schools selected, a total of 18 exceptions were noted.

- At Jonesboro Hodge High School, two exceptions were noted in which deposits were made untimely, and six exceptions were noted in which timeliness could not be determined due to no dates on receipt logs.
- At Weston High School, two exceptions were noted in which the individual receipts within the deposit could not be traced to the related account ledger card, teacher log/receipt, etc.
- At Quitman High School, two exceptions were noted in which deposits were made untimely, and three exceptions were noted in which timeliness could not be determined. Also at Quitman High School, three exceptions were noted in which the individual receipts within the deposit could not be traced to the related account ledger card, teacher log/receipt, etc.

While testing 25 cash disbursements at each of the three schools selected, a total of 22 exceptions were noted.

- At Jonesboro Hodge High School, the following exceptions were noted: one exception in which the check was not signed by authorized personnel, one exception for no evidence of receipts of goods or services, three exceptions in which the charge was not supported by proper documentation, three exceptions in which the invoice date was not current when compared to the date of the check, one exception in which the accounting distribution was not correctly posted, one exception in which the charges did not appear to be necessary and reasonable, and one exception in which the charge was not in accordance with the School Board's financial policies.
- At Weston High School, the following exceptions were noted: three exceptions in which the invoice amount did not agree with the check amount, three exceptions in which the charge was not supported by proper documentation, one exception in which the accounting distribution was not correctly posted, one exception in which the charges did not appear to be necessary and reasonable, and one exception in which the charge was not in accordance with the School Board's financial policies.
- At Quitman High School, the following exceptions were noted: one exception in which the charges did not appear to be necessary and reasonable, and one exception in which the charge was not in accordance with the School Board's financial policies.

Corrective action planned: The new management at Jackson Parish School Board will communicate and train school administration of Jackson Parish schools how to be in compliance with best practices stated for student activity funds in the Louisiana Legislative Auditor's School Accounting Procedures Manual. The new management will also set up training for principals and secretaries at our schools to ensure their knowledge of best practices. Each school will be audited and monitored by new management to ensure that these best practices are being followed.

Contact person responsible for corrective action:

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Anticipated completion date: June 30, 2012.

**Jackson Parish School Board
Corrective Action Plan for Current-Year Audit Findings
June 30, 2011**

Reference # and title: **11-F6** **70% Instructional Expenditures**

Entity-wide or program/department specific: This finding is entity-wide.

Condition: Per Louisiana Senate Concurrent Resolution No. 142 of the 1993 Regular Session, School Boards are required to spend at least 70% of the general fund's total expenditures for instruction and support.

The School Board did not meet the 70% requirement.

Corrective action planned: The new management of Jackson Parish School Board will strive tirelessly to be in compliance with Resolution No. 142 of the 1993 Regular Session to spend at least 70% of the general fund's total expenditures for instruction and support. Reporting of our standing of the 70% will be reported to the finance committee of the Board quarterly. We will make every effort to budget and spend 70% on instructional expenditures within the General Fund.

Contact person responsible for corrective action:

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Anticipated completion date: June 30, 2012.

Reference # and title: **11-F7** **Reporting of Financial Data**

Federal program and specific Federal award identification: This finding relates to Title I Cluster: Title I CFDA# 84.010A and Title I ARRA CFDA# 84.389A, Special Education Cluster: Special Education CFDA# 84.027A and Special Education- ARRA CFDA# 84.391A, and Title II CFDA# 84.367 for Federal Award Year 2011, received from Federal Agency U. S. Department of Education passed through Louisiana Department of Education.

Condition: Periodic Expense Reports are to be completed using accumulated expenditures to date and the amounts should tie to the expenditures in the general ledger. Additionally, internal controls should be established to ensure adequate monitoring of reports submitted to the State for completeness and accuracy.

In testing a sample of periodic expense reports (PER) for the Title I and Title I-ARRA, it was noted that the School Board did not properly report the full amount of expenditures on PER #3 and PER #7, respectively, due to the School Board only including expenditures through February 28, 2011, not the expenditures as of March 31, 2011. On the Title I PER#5, the PER should have been the accumulated expenditures for the full first three quarters, however, the amount reported was through May 31, 2010, not through September 30, 2010. The same occurred with Title I-ARRA PER#8, except accumulated expenditures were through March 31, 2011, not through June 30, 2011. Additionally, it was noted that the School Board did not properly submit the amount of total vendor payments and total cumulative expenditures to the State under the ARRA sub-recipient reporting section. It was also noted that the PER reports and the requests for reimbursements are not being reviewed by management for completeness and accuracy before submitted to the State.

In testing a sample of periodic expense reports (PER) for the IDEA and IDEA-ARRA programs, it was noted that the School Board underreported total expenditures due to the last request for expenditures was not included in the final count on PER#3 and PER#7, respectively. The PER included through February 28, 2011, not through March 31,

**Jackson Parish School Board
Corrective Action Plan for Current-Year Audit Findings
June 30, 2011**

2011. Additionally, it was noted that the School Board did not properly submit the amount of total vendor payments and total cumulative expenditures to the State under the ARRA subrecipient reporting section. It was also noted that the PER reports are not being reviewed by management for completeness and accuracy before submitted to the State.

In testing a sample of periodic expense reports (PER) for the Title II program, it was noted that the School Board underreported total expenditures due to the last request for expenditures was not included in the final count on PER#2. The PER included through November 30, 2010, not through December 31, 2010. It was also noted that the PER reports are not being reviewed by management for completeness and accuracy before submitted to the State.

Corrective action planned: The new management of Jackson Parish School Board will make every effort to ensure accurate and timely reporting on the eGrant system. No PER or request will be submitted without proper review.

Contact person responsible for corrective action:

| | |
|---------------------------------|---------------------------|
| Wayne Alford, Superintendent | Telephone: (318) 259-4456 |
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| Jonesboro, Louisiana 71251-0705 | |

Anticipated completion date: June 30, 2012.

Reference # and title: **11-F8** **School-wide Programs**

This finding relates to Title I Cluster: Title I CFDA# 84.010A and Title I ARRA CFDA# 84.389A, Special Education Cluster: Special Education CFDA# 84.027A, Special Education- ARRA CFDA# 84.391A, Preschool CFDA# 84.173A and Preschool-ARRA CFDA# 84.392A and Title II CFDA# 84.367A for Federal Award Year 2011, received from Federal Agency U. S. Department of Education passed through Louisiana Department of Education.

Condition: According to 34 CFR 200.26-200.28, schools participating in schoolwide programs should have a school wide plan which addresses the following core elements and components:

- Comprehensive needs assessment of the entire school
- Comprehensive plan based on data from the needs assessment
- Annual evaluation of the results achieved by the school-wide program and revisions of the schoolwide plan based on that evaluation
- Schoolwide reform strategies
- Instruction by highly qualified professional staff
- Strategies to increase parental involvement
- Additional support to students experiencing difficulty
- Transition plans for assisting preschool children in the successful transition to the school-wide program.

Additionally the school should maintain records of the comprehensive needs assessment of the entire school and an annual evaluation of results achieved. Finally, the school wide improvement plan should be complete and accurate.

In reviewing school-wide plans for one of the two Title I schools in the parish, it was noted that the plan did not include every required element and component. The plan did not specifically address transition plans for preschool students, instruction by highly qualified staff, or students in need.

**Jackson Parish School Board
Corrective Action Plan for Current-Year Audit Findings
June 30, 2011**

Corrective action planned: New management will review and monitor the Title I administration to ensure school wide plans address each of the required core elements and components and compliance with 34 CFR 200.26-200.28.

Contact person responsible for corrective action:

| | |
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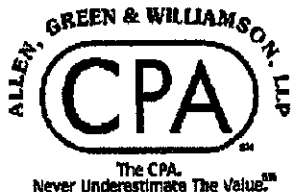
Anticipated completion date: June 30, 2012.

Reference and title: **11-F9** **Disbursements**

Federal program and specific Federal award identification: This finding relates to Title I Cluster: Title I CFDA# 84.010A and Title I ARRA CFDA# 84.389A, Special Education Cluster: Special Education CFDA# 84.027A, Special Education- ARRA CFDA# 84.391A, Preschool CFDA# 84.173A and Preschool ARRA CFDA# 84.392A, and Education Jobs CFDA# 84.410A for Federal Award Year 2011, received from Federal Agency U. S. Department of Education passed through Louisiana Department of Education.

Condition: SEE PART II FINDING 11-F4.

Corrective action planned: SEE CORRECTIVE ACTION PLANNED AT 11-F4



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Management Letter

Board Members
Jackson Parish School Board
Jonesboro, Louisiana

In planning and performing our audit of the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Jackson Parish School Board as of and for the year ended June 30, 2011, we considered the School Board's internal control to plan our auditing procedures for the purpose of expressing our opinions in the financial statements and not to provide assurance in the internal control.

However, during the performance of our procedures, we noted a certain matter involving the internal control and other operational matters that is presented for your consideration. This letter does not affect our report dated December 21, 2011 on the financial statements of the School Board. We will review the status of this comment during our next audit engagement. Our comment and recommendation, all of which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies. We will be pleased to discuss this comment in further detail at your convenience, to perform any additional study of this matter, or to assist you in implementing the recommendation. Our comment and management's response are summarized as follows:

11-M1

Computer Systems Access

Comment: Proper internal controls of employee access to the computer systems require that access be limited to those with "need" of access to the modules pertaining to their job functions. Certain critical areas such as payroll, accounts payable and bank reconciliations should be limited to as few employees as possible. In the testing of internal controls over system access, it was noted two employees had been terminated and their user accounts were not deleted, one employee had access to a module that was not a part of the employee's assigned job function; and one user access name was unknown to management.

Recommendation: The School Board and management should develop proper policies and procedures to ensure that employees only have access to what they need and that there is a process of approval for new accounts. In addition, an employee's access should be immediately removed upon termination or change to another position where access is not needed.

Management's response: New management will review and monitor system access and assure that system security is in accordance with internal control procedures that discourages fraud. Employees will be deleted from the system upon Board approval of retirement, resignation or termination.

11-M2

Capital Asset Inspections

Comment: After discussion with central office personnel, it was noted that there are no formal inspections performed for capital assets. The Superintendent distributes a listing of capital assets to each principal at the beginning of each school year. The principals are required to review the listing and contact the central office if any changes need to be made, however, there is no documentation to document that these inspections are actually being performed by the principals. Also, there is no documentation for "spot checks" performed by central office personnel during the year.

Recommendation: To ensure safekeeping of capital assets, annual inspections should be performed and documentation of the inspections kept by the School Board.

Management's response: Procedures will be adopted by new management to address inspections and documentation of those inspections in the current year.

Our audit procedures are designed primarily to enable us to form opinions on the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School Board, as of and for the year ended June 30, 2011, which collectively comprise the School Board's basic financial statements, and therefore, may not reveal all weaknesses in policies and procedures that may exist.

Also included are management's responses to our current year management letter items. We have performed no audit work to verify the content of the responses.

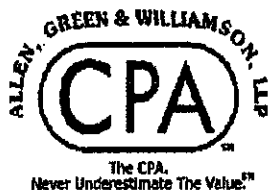
This report is intended solely for the information and use of the Board members, management, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513 this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

Allen, Green & Williamson, LLP
Allen, Green & Williamson, LLP

Monroe, Louisiana
December 21, 2011

Jackson Parish School Board

AGREED-UPON PROCEDURES



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(Retired) 1963 - 2000

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Board Members
Jackson Parish School Board
Jonesboro, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of the Jackson Parish School Board, Jonesboro, Louisiana, and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of the School Board and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE). This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the reports. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings relate to the accompanying schedules of supplemental information and are as follows:

General Fund Instructional and Support Expenditures and Certain Local Revenue Sources (Schedule 1)

1. We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on the schedule:

- Total General Fund Instructional Expenditures,
- Total General Fund Equipment Expenditures,
- Total Local Taxation Revenue,
- Total Local Earnings on Investment in Real Property,
- Total State Revenue in Lieu of Taxes,
- Nonpublic Textbook Revenue, and
- Nonpublic Transportation Revenue.

Comment: No exceptions were noted as result of applying agreed upon procedures.

Education Levels of Public School Staff (Schedule 2)

2. We reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total number of full-time classroom teachers per this schedule and to school board supporting payroll records as of October 1st.

Comment: Seven total exceptions were noted as result of applying agreed upon procedures. The total number of teachers with a Master's Degree does not agree to the supporting payroll records as of October. Six exceptions were noted when agreeing Schedule 4 to supporting payroll records.

Management Response: This schedule was revised.

3. We reconciled the combined total of principals and assistant principals per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total of principals and assistant principals per this schedule.

Comment: Six exceptions were noted as result of applying agreed upon procedures. The Master's Degree & Master's +30 Degree does not agree to the supporting payroll records as of October. Four exceptions were noted when agreeing Schedule 4 to supporting payroll records.

Management Response: This schedule was revised.

4. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1st and as reported on the schedule. We traced a random sample of 25 teachers to the individual's personnel file and determine if the individual's education level was properly classified on the schedule.

Comment: No exceptions were noted as result of applying agreed upon procedures.

Number and Type of Public Schools (Schedule 3)

5. We obtained a list of schools by type as reported on the schedule. We compared the list to the schools and grade levels as reported on the Title 1 Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555)

Comment: No exceptions were noted as result of applying agreed upon procedures.

Experience of Public Principals and Full-time Classroom Teachers (Schedule 4)

6. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1 and as reported on the schedule and traced the same sample used in procedure 4 to the individual's personnel file and determined if the individual's experience was properly classified on the schedule.

Comment: One exception was noted as result of applying agreed upon procedures in which it was noted that the individual's experience was incorrectly classified on the schedule.

Management Response: Experience level was corrected in the personnel file and this employee was notified and restitution was made to the employee. We will try to make every effort to limit these exceptions in the future.

Public Staff Data (Schedule 5)

7. We obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent as reported on the schedule and traced a random sample of 25 teachers to the individual's personnel file and determined if the individual's salary, extra compensation, and full-time equivalents were properly included on the schedule.

Comment: Seventeen exceptions were noted as result of applying agreed upon procedures. Seven exceptions were noted in which extended pay was coded to extra compensation instead of base pay. Ten exceptions were noted in which full-time equivalent was incorrectly calculated.

Management Response: These errors will be corrected and public staff data will be accurately coded by new management. We will try to make every effort to limit these exceptions in the future.

8. We recalculated the average salaries and full-time equivalents reported in the schedule.

Comment: No exceptions were noted as result of applying agreed upon procedures.

Class Size Characteristics (Schedule 6)

9. We obtained a list of classes by school, school type, and class size as reported on the schedule and reconciled school type classifications to Schedule 3 data, as obtained in procedure 5. We then traced a random sample of ten classes to the October 1st roll books for those classes and determined if the class was properly classified on the schedule.

Comment: No exceptions were noted as result of applying agreed upon procedures.

Louisiana Educational Assessment Program (LEAP) for the 21st century (Schedule 7)

10. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the School Board.

Comment: No exceptions were noted as result of applying agreed upon procedures.

The Graduation Exit Exam for the 21st Century (Schedule 8)

11. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the School Board.

Comment: No exceptions were noted as result of applying agreed upon procedures.

The Iowa Tests (Schedule 9)

12. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the School Board.

Comment: No exceptions were noted as result of applying agreed upon procedures.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Jackson Parish School Board, the Louisiana Department of Education, the Louisiana Legislature, and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
December 21, 2011

JACKSON PARISH SCHOOL BOARD
Jonesboro, Louisiana

**General Fund Instructional and Support Expenditures
 and Certain Local Revenue Sources
 For the Year Ended June 30, 2011**

| | Column A | Column B |
|---|--------------|---------------|
| <u>General Fund Instructional and Equipment Expenditures</u> | | |
| General Fund Instructional Expenditures: | | |
| Teacher and Student Interaction Activities: | | |
| Classroom Teacher Salaries | \$ 8,091,862 | |
| Other Instructional Staff Activities | 888,419 | |
| Instructional Staff Employee Benefits | 2,902,418 | |
| Purchased Professional and Technical Services | 109,635 | |
| Instructional Materials and Supplies | 628,986 | |
| Instructional Equipment | 132,303 | |
| Total Teacher and Student Interaction Activities | | \$ 12,753,623 |
| Other Instructional Activities | | 123,097 |
| Pupil Support Services | 814,907 | |
| Less: Equipment for Pupil Support Services | 0 | |
| Net Pupil Support Services | | 814,907 |
| Instructional Staff Services | 1,183,014 | |
| Less: Equipment for Instructional Staff Services | 0 | |
| Net Instructional Staff Services | | 1,183,014 |
| School Administration | 1,103,083 | |
| Less: Equipment for School Administration | 0 | |
| Net School Administration | | 1,103,083 |
| Total General Fund Instructional Expenditures (Total of Column B) | | 15,977,724 |
| Total General Fund Equipment Expenditures (Object 730; Function Series 1000-4000) | | 550,890 |
| <u>Certain Local Revenue Sources</u> | | |
| Local Taxation Revenue: | | |
| Constitutional Ad Valorem Taxes | | 898,905 |
| Renewable Ad Valorem Tax | | 3,897,980 |
| Debt Service Ad Valorem Tax | | 353,187 |
| Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes | | 210,448 |
| Sales and Use Taxes | | 6,267,649 |
| Total Local Taxation Revenue | | 11,628,169 |
| Local Earnings on Investment in Real Property: | | |
| Earnings from 16th Section Property | | 0 |
| Earnings from Other Real Property | | 6,293 |
| Total Local Earnings on Investment in Real Property | | 6,293 |
| State Revenue in Lieu of Taxes: | | |
| Revenue Sharing - Constitutional Tax | | 72,885 |
| Revenue Sharing - Other Taxes | | 0 |
| Revenue Sharing - Excess Portion | | 0 |
| Other Revenue in Lieu of Taxes | | 0 |
| Total State Revenue in Lieu of Taxes | | 72,885 |
| Nonpublic Textbook Revenue | | 0 |
| Nonpublic Transportation Revenue | | 0 |

JACKSON PARISH SCHOOL BOARD
Jonesboro, Louisiana

Education Levels of Public School Staff
As of October 1, 2010

| Category | Full-time Classroom Teachers | | | | Principals & Assistant Principals | | | |
|-------------------------------|------------------------------|-------------|----------------|-----------|-----------------------------------|-------------|----------------|-----------|
| | Certificated | | Uncertificated | | Certificated | | Uncertificated | |
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Less than a Bachelor's Degree | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% |
| Bachelor's Degree | 106 | 63% | 0 | 0% | 0 | 0% | 0 | 0% |
| Master's Degree | 41 | 24% | 0 | 0% | 2 | 22% | 0 | 0% |
| Master's Degree + 30 | 20 | 12% | 0 | 0% | 6 | 67% | 0 | 0% |
| Specialist in Education | 1 | 1% | 0 | 0% | 0 | 0% | 0 | 0% |
| Ph. D. or Ed. D. | 0 | 0% | 0 | 0% | 1 | 11% | 0 | 0% |
| Total | 168 | 100% | 0 | 0% | 9 | 100% | 0 | 0% |

JACKSON PARISH SCHOOL BOARD
Jonesboro, Louisiana

Number and Type of Public Schools
For the Year Ended June 30, 2011

| Type | Number |
|-----------------|--------|
| Elementary | 1 |
| Middle/Jr. High | 1 |
| Secondary | 1 |
| Combination | 2 |
| Total | 5 |

JACKSON PARISH SCHOOL BOARD
Jonesboro, Louisiana

Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers
As of October 1, 2010

| | 0-1 Yr. | 2-3 Yrs. | 4-10 Yrs. | 11-14 Yrs. | 15-19 Yrs. | 20-24 Yrs. | 25+ Yrs. | Total |
|----------------------|-----------|-----------|-----------|------------|------------|------------|-----------|------------|
| Assistant Principals | 0 | 0 | 0 | 0 | 0 | 2 | 2 | 4 |
| Principals | 0 | 0 | 1 | 0 | 2 | 0 | 2 | 5 |
| Classroom Teachers | 18 | 12 | 38 | 26 | 26 | 17 | 31 | 168 |
| Total | 18 | 12 | 39 | 26 | 28 | 19 | 35 | 177 |

JACKSON PARISH SCHOOL BOARD
Jonesboro, Louisiana

Public School Staff Data: Average Salaries
For the Year Ended June 30, 2011

| | All Classroom Teachers | Classroom Teachers Excluding ROTC, Rehired Retirees, and Flagged Salary Reductions |
|---|-----------------------------------|---|
| Average Classroom Teachers' Salary Including Extra Compensation | \$ 50,583.00 | \$ 50,497.00 |
| Average Classroom Teachers' Salary Excluding Extra Compensation | \$ 49,401.00 | \$ 49,319.00 |
| Number of Teacher Full-time Equivalents (FTEs) used In Computation of Average Salaries | 169.576 | 166.5761 |

JACKSON PARISH SCHOOL BOARD
Jonesboro, Louisiana

Class Size Characteristics
As of October 1, 2010

| School Type | Class Size Range | | | | | | | |
|----------------------------------|------------------|--------|---------|--------|---------|--------|---------|--------|
| | 1 - 20 | | 21 - 26 | | 27 - 33 | | 34+ | |
| | Percent | Number | Percent | Number | Percent | Number | Percent | Number |
| Elementary | 84 | 83 | 16 | 16 | 0 | 0 | 0 | 0 |
| Elementary Activity Classes | 78 | 14 | 17 | 3 | 0 | 0 | 6 | 1 |
| Middle/Jr. High | 87 | 83 | 13 | 12 | 0 | 0 | 0 | 0 |
| Middle/Jr. High Activity Classes | 54 | 7 | 23 | 3 | 0 | 0 | 23 | 3 |
| High | 82 | 123 | 18 | 27 | 0 | 0 | 0 | 0 |
| High Activity Classes | 97 | 31 | 3 | 1 | 0 | 0 | 0 | 0 |
| Combination | 59 | 243 | 33 | 134 | 8 | 35 | 0 | 0 |
| Combination Activity Classes | 53 | 30 | 19 | 11 | 21 | 12 | 7 | 4 |

JACKSON PARISH SCHOOL BOARD
JONESBORO, Louisiana

Louisiana Educational Assessment Program (LEAP)
For the Year Ended June 30, 2011

| District Achievement Level Results | English Language Arts | | | | | | Mathematics | | | | | |
|---------------------------------------|-----------------------|------------|------------|------------|------------|------------|-------------|------------|------------|------------|------------|------------|
| | 2011 | | 2010 | | 2009 | | 2011 | | 2010 | | 2009 | |
| Students | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Grade 4 | | | | | | | | | | | | |
| Advanced | 9 | 4 | 8 | 4 | 5 | 3 | 9 | 4 | 7 | 4 | 1 | 1 |
| Mastery | 45 | 22 | 29 | 17 | 36 | 21 | 46 | 22 | 33 | 20 | 24 | 14 |
| Basic | 88 | 43 | 75 | 45 | 81 | 47 | 89 | 43 | 74 | 44 | 91 | 53 |
| Approaching Basic | 42 | 20 | 32 | 19 | 35 | 20 | 35 | 17 | 39 | 23 | 31 | 18 |
| Unsatisfactory | 21 | 10 | 26 | 15 | 14 | 8 | 26 | 13 | 15 | 9 | 24 | 14 |
| Total | 205 | 100 | 168 | 100 | 171 | 100 | 205 | 100 | 168 | 100 | 171 | 100 |

| District Achievement Level Results | Science | | | | | | Social Studies | | | | | |
|---------------------------------------|------------|------------|------------|------------|------------|------------|----------------|------------|------------|------------|------------|------------|
| | 2011 | | 2010 | | 2009 | | 2011 | | 2010 | | 2009 | |
| Students | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Grade 4 | | | | | | | | | | | | |
| Advanced | 2 | 1 | 3 | 2 | 4 | 2 | 2 | 1 | 0 | 0 | 0 | 0 |
| Mastery | 10 | 5 | 21 | 13 | 25 | 15 | 32 | 16 | 18 | 10 | 14 | 8 |
| Basic | 115 | 56 | 76 | 46 | 82 | 49 | 103 | 50 | 94 | 56 | 82 | 54 |
| Approaching Basic | 56 | 27 | 56 | 34 | 45 | 26 | 39 | 19 | 31 | 19 | 37 | 22 |
| Unsatisfactory | 23 | 11 | 11 | 7 | 15 | 9 | 30 | 15 | 26 | 16 | 28 | 16 |
| Total | 206 | 100 | 167 | 100 | 171 | 100 | 206 | 100 | 167 | 100 | 171 | 100 |

| District Achievement Level Results | English Language Arts | | | | | | Mathematics | | | | | |
|---------------------------------------|-----------------------|------------|------------|------------|------------|------------|-------------|------------|------------|------------|------------|------------|
| | 2011 | | 2010 | | 2009 | | 2011 | | 2010 | | 2009 | |
| Students | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Grade 8 | | | | | | | | | | | | |
| Advanced | 9 | 6 | 6 | 4 | 1 | 1 | 2 | 1 | 4 | 2 | 7 | 4 |
| Mastery | 31 | 20 | 26 | 18 | 29 | 19 | 7 | 5 | 8 | 5 | 9 | 6 |
| Basic | 75 | 48 | 72 | 43 | 58 | 37 | 65 | 61 | 70 | 42 | 65 | 54 |
| Approaching Basic | 36 | 23 | 44 | 27 | 57 | 37 | 34 | 22 | 38 | 23 | 30 | 19 |
| Unsatisfactory | 4 | 3 | 18 | 11 | 11 | 7 | 17 | 11 | 47 | 28 | 26 | 17 |
| Total | 155 | 100 | 166 | 100 | 156 | 100 | 155 | 100 | 167 | 100 | 157 | 100 |

| District Achievement Level Results | Science | | | | | | Social Studies | | | | | |
|---------------------------------------|------------|------------|------------|------------|------------|------------|----------------|------------|------------|------------|------------|------------|
| | 2011 | | 2010 | | 2009 | | 2011 | | 2010 | | 2009 | |
| Students | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Grade 8 | | | | | | | | | | | | |
| Advanced | 1 | 1 | 2 | 1 | 7 | 5 | 1 | 1 | 1 | 1 | 0 | 0 |
| Mastery | 22 | 14 | 14 | 8 | 27 | 18 | 16 | 10 | 12 | 7 | 28 | 17 |
| Basic | 60 | 38 | 65 | 39 | 56 | 37 | 71 | 46 | 79 | 48 | 61 | 40 |
| Approaching Basic | 52 | 33 | 54 | 32 | 43 | 28 | 46 | 29 | 38 | 23 | 36 | 24 |
| Unsatisfactory | 21 | 13 | 33 | 20 | 20 | 13 | 22 | 14 | 38 | 22 | 30 | 20 |
| Total | 156 | 100 | 168 | 100 | 153 | 100 | 156 | 100 | 168 | 100 | 163 | 100 |

JACKSON PARISH SCHOOL BOARD
JONESBORO, Louisiana

Graduation Exit Examination (GEE)
For the Year Ended June 30, 2011

| District Achievement Level Results | English Language Arts | | | | | | Mathematics | | | | | |
|---------------------------------------|-----------------------|---------|--------|---------|--------|---------|-------------|---------|--------|---------|--------|---------|
| | 2011 | | 2010 | | 2009 | | 2011 | | 2010 | | 2009 | |
| Students | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Grade 10 | | | | | | | | | | | | |
| Advanced | 1 | 1 | 0 | 0 | 3 | 2 | 15 | 11 | 9 | 7 | 18 | 13 |
| Mastery | 23 | 17 | 16 | 13 | 15 | 12 | 21 | 15 | 26 | 21 | 25 | 20 |
| Basic | 58 | 44 | 65 | 53 | 62 | 50 | 59 | 42 | 51 | 41 | 47 | 38 |
| Approaching Basic | 39 | 30 | 28 | 24 | 30 | 24 | 25 | 18 | 19 | 15 | 20 | 16 |
| Unsatisfactory | 11 | 8 | 13 | 11 | 15 | 12 | 21 | 15 | 18 | 15 | 16 | 13 |
| Total | 132 | 100 | 123 | 100 | 125 | 100 | 141 | 100 | 123 | 100 | 124 | 100 |

| District Achievement Level Results | Science | | | | | | Social Studies | | | | | |
|---------------------------------------|---------|---------|--------|---------|--------|---------|----------------|---------|--------|---------|--------|---------|
| | 2011 | | 2010 | | 2009 | | 2011 | | 2010 | | 2009 | |
| Students | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Grade 11 | | | | | | | | | | | | |
| Advanced | 4 | 3 | 7 | 6 | 7 | 6 | 0 | 0 | 2 | 2 | 0 | 0 |
| Mastery | 19 | 16 | 19 | 18 | 7 | 6 | 7 | 6 | 5 | 4 | 9 | 7 |
| Basic | 42 | 36 | 45 | 39 | 54 | 43 | 61 | 52 | 52 | 45 | 54 | 43 |
| Approaching Basic | 28 | 24 | 29 | 25 | 38 | 30 | 33 | 28 | 41 | 35 | 34 | 27 |
| Unsatisfactory | 25 | 21 | 16 | 14 | 19 | 15 | 17 | 14 | 18 | 14 | 28 | 22 |
| Total | 118 | 100 | 116 | 100 | 125 | 100 | 118 | 100 | 116 | 100 | 125 | 100 |

JACKSON PARISH SCHOOL BOARD
JONESBORO, Louisiana

IOWA and ILEAP Tests
For the Year Ended June 30, 2011

| District Achievement Level Results | English Language Arts | | Mathematics | | Science | | Social Studies | |
|---------------------------------------|-----------------------|---------|-------------|---------|---------|---------|----------------|---------|
| | 2009 | | 2009 | | 2009 | | 2009 | |
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Students | | | | | | | | |
| Grade 3 | | | | | | | | |
| Advanced | 7 | 4 | 14 | | 8 | 5 | 3 | 1 |
| Mastery | 35 | 21 | 41 | | 24 | 31 | 18 | 29 |
| Basic | 70 | 41 | 59 | | 35 | 73 | 43 | 88 |
| Approaching Basic | 42 | 25 | 39 | | 23 | 43 | 25 | 33 |
| Unsatisfactory | 15 | 9 | 16 | | 9 | 17 | 10 | 18 |
| Total | 169 | 100 | 169 | 100 | 169 | 100 | 169 | 100 |

| District Achievement Level Results | English Language Arts | | Mathematics | | Science | | Social Studies | |
|---------------------------------------|-----------------------|---------|-------------|---------|---------|---------|----------------|---------|
| | 2009 | | 2009 | | 2009 | | 2009 | |
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Students | | | | | | | | |
| Grade 5 | | | | | | | | |
| Advanced | 10 | 6 | 7 | | 4 | 5 | 3 | 2 |
| Mastery | 34 | 19 | 19 | | 11 | 40 | 23 | 16 |
| Basic | 78 | 45 | 83 | | 47 | 78 | 45 | 89 |
| Approaching Basic | 31 | 18 | 28 | | 16 | 32 | 18 | 44 |
| Unsatisfactory | 22 | 13 | 38 | | 22 | 19 | 11 | 23 |
| Total | 175 | 100 | 175 | 100 | 174 | 100 | 174 | 100 |

| District Achievement Level Results | English Language Arts | | Mathematics | | Science | | Social Studies | |
|---------------------------------------|-----------------------|---------|-------------|---------|---------|---------|----------------|---------|
| | 2009 | | 2009 | | 2009 | | 2009 | |
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Students | | | | | | | | |
| Grade 6 | | | | | | | | |
| Advanced | 2 | 1 | 4 | | 3 | 9 | 2 | 3 |
| Mastery | 28 | 18 | 21 | | 13 | 22 | 14 | 9 |
| Basic | 69 | 44 | 72 | | 46 | 69 | 44 | 83 |
| Approaching Basic | 38 | 24 | 37 | | 24 | 48 | 31 | 42 |
| Unsatisfactory | 20 | 13 | 23 | | 15 | 15 | 10 | 20 |
| Total | 157 | 100 | 157 | 100 | 157 | 100 | 157 | 100 |

| District Achievement Level Results | English Language Arts | | Mathematics | | Science | | Social Studies | |
|---------------------------------------|-----------------------|---------|-------------|---------|---------|---------|----------------|---------|
| | 2009 | | 2009 | | 2009 | | 2009 | |
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Students | | | | | | | | |
| Grade 7 | | | | | | | | |
| Advanced | 3 | 2 | 4 | | 2 | 1 | 1 | 2 |
| Mastery | 32 | 17 | 7 | | 4 | 28 | 15 | 23 |
| Basic | 79 | 43 | 97 | | 53 | 72 | 40 | 76 |
| Approaching Basic | 49 | 27 | 44 | | 24 | 48 | 26 | 48 |
| Unsatisfactory | 21 | 11 | 32 | | 17 | 33 | 18 | 35 |
| Total | 184 | 100 | 184 | 100 | 182 | 100 | 184 | 100 |

| District Achievement Level Results | English Language Arts | | Mathematics | |
|---------------------------------------|-----------------------|---------|-------------|---------|
| | 2009 | | 2009 | |
| | Number | Percent | Number | Percent |
| Students | | | | |
| Grade 9 | | | | |
| Advanced | 0 | 0 | 6 | 4 |
| Mastery | 20 | 15 | 20 | 15 |
| Basic | 70 | 51 | 52 | 38 |
| Approaching Basic | 32 | 24 | 30 | 22 |
| Unsatisfactory | 14 | 10 | 28 | 21 |
| Total | 136 | 100 | 136 | 100 |

| District Achievement Level Results | English Language Arts | | Mathematics | | Science | | Social Studies | |
|---------------------------------------|-----------------------|---------|-------------|---------|---------|---------|----------------|---------|
| | 2010 | | 2010 | | 2010 | | 2010 | |
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Students | | | | | | | | |
| Grade 3 | | | | | | | | |
| Advanced | 8 | 4 | 13 | | 7 | 5 | 3 | 2 |
| Mastery | 32 | 16 | 39 | | 20 | 27 | 14 | 30 |
| Basic | 78 | 39 | 68 | | 34 | 86 | 43 | 88 |
| Approaching Basic | 47 | 24 | 51 | | 26 | 53 | 27 | 42 |
| Unsatisfactory | 35 | 18 | 29 | | 15 | 29 | 15 | 37 |
| Total | 200 | 100 | 200 | 100 | 200 | 100 | 199 | 100 |

| District Achievement Level Results | Iish Language Arts | | Mathematics | | Science | | Social Studies | |
|------------------------------------|--------------------|---------|-------------|---------|---------|---------|----------------|---------|
| | 2010 | | 2010 | | 2010 | | 2010 | |
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Students | | | | | | | | |
| Grade 5 | | | | | | | | |
| Advanced | 1 | 1 | 2 | 1 | 0 | 0 | 1 | 1 |
| Mastery | 22 | 13 | 14 | 8 | 13 | 8 | 16 | 9 |
| Basic | 82 | 48 | 87 | 51 | 68 | 52 | 90 | 53 |
| Approaching Basic | 44 | 26 | 30 | 18 | 50 | 29 | 39 | 23 |
| Unsatisfactory | 21 | 12 | 37 | 22 | 19 | 11 | 23 | 14 |
| Total | 170 | 100 | 170 | 100 | 170 | 100 | 169 | 100 |

| District Achievement Level Results | Iish Language Arts | | Mathematics | | Science | | Social Studies | |
|------------------------------------|--------------------|---------|-------------|---------|---------|---------|----------------|---------|
| | 2010 | | 2010 | | 2010 | | 2010 | |
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Students | | | | | | | | |
| Grade 6 | | | | | | | | |
| Advanced | 6 | 3 | 4 | 2 | 3 | 2 | 7 | 4 |
| Mastery | 33 | 18 | 23 | 13 | 27 | 15 | 33 | 18 |
| Basic | 98 | 54 | 104 | 58 | 81 | 45 | 73 | 41 |
| Approaching Basic | 28 | 16 | 27 | 15 | 45 | 25 | 38 | 21 |
| Unsatisfactory | 15 | 8 | 22 | 12 | 24 | 13 | 29 | 16 |
| Total | 180 | 100 | 180 | 100 | 180 | 100 | 180 | 100 |

| District Achievement Level Results | Iish Language Arts | | Mathematics | | Science | | Social Studies | |
|------------------------------------|--------------------|---------|-------------|---------|---------|---------|----------------|---------|
| | 2010 | | 2010 | | 2010 | | 2010 | |
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Students | | | | | | | | |
| Grade 7 | | | | | | | | |
| Advanced | 8 | 4 | 1 | 1 | 3 | 2 | 0 | 0 |
| Mastery | 30 | 19 | 18 | 11 | 23 | 14 | 10 | 6 |
| Basic | 70 | 44 | 77 | 49 | 68 | 42 | 78 | 49 |
| Approaching Basic | 39 | 25 | 33 | 21 | 39 | 25 | 40 | 25 |
| Unsatisfactory | 13 | 8 | 28 | 18 | 28 | 18 | 30 | 19 |
| Total | 158 | 100 | 158 | 100 | 159 | 100 | 158 | 100 |

| District Achievement Level Results | Iish Language Arts | | Mathematics | |
|------------------------------------|--------------------|---------|-------------|---------|
| | 2010 | | 2010 | |
| | Number | Percent | Number | Percent |
| Students | | | | |
| Grade 8 | | | | |
| Advanced | 1 | 1 | 10 | 7 |
| Mastery | 22 | 15 | 12 | 8 |
| Basic | 70 | 48 | 66 | 46 |
| Approaching Basic | 37 | 26 | 20 | 14 |
| Unsatisfactory | 15 | 10 | 37 | 26 |
| Total | 145 | 100 | 146 | 100 |

| District Achievement Level Results | Iish Language Arts | | Mathematics | | Science | | Social Studies | |
|------------------------------------|--------------------|---------|-------------|---------|---------|---------|----------------|---------|
| | 2011 | | 2011 | | 2011 | | 2011 | |
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Students | | | | | | | | |
| Grade 3 | | | | | | | | |
| Advanced | 15 | 7 | 17 | 8 | 10 | 5 | 3 | 1 |
| Mastery | 29 | 14 | 27 | 13 | 20 | 10 | 27 | 13 |
| Basic | 95 | 47 | 83 | 41 | 83 | 41 | 88 | 44 |
| Approaching Basic | 38 | 19 | 38 | 19 | 55 | 27 | 55 | 27 |
| Unsatisfactory | 24 | 12 | 36 | 18 | 33 | 16 | 28 | 14 |
| Total | 201 | 100 | 201 | 100 | 201 | 100 | 201 | 100 |

| District Achievement Level Results | Iish Language Arts | | Mathematics | | Science | | Social Studies | |
|------------------------------------|--------------------|---------|-------------|---------|---------|---------|----------------|---------|
| | 2011 | | 2011 | | 2011 | | 2011 | |
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Students | | | | | | | | |
| Grade 5 | | | | | | | | |
| Advanced | 4 | 3 | 9 | 6 | 10 | 7 | 2 | 1 |
| Mastery | 30 | 21 | 12 | 9 | 28 | 20 | 11 | 8 |
| Basic | 67 | 48 | 67 | 48 | 60 | 43 | 71 | 51 |
| Approaching Basic | 22 | 16 | 27 | 19 | 30 | 21 | 28 | 20 |
| Unsatisfactory | 17 | 12 | 25 | 18 | 12 | 9 | 28 | 20 |
| Total | 140 | 100 | 140 | 100 | 140 | 100 | 140 | 100 |

| District Achievement Level Results | English Language Arts | | Mathematics | | Science | | Social Studies | |
|------------------------------------|-----------------------|---------|-------------|---------|---------|---------|----------------|---------|
| | 2011 | | 2011 | | 2011 | | 2011 | |
| Students | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Grade 6 | | | | | | | | |
| Advanced | 2 | 1 | 4 | 2 | 2 | 1 | 7 | 4 |
| Mastery | 29 | 17 | 22 | 13 | 18 | 11 | 22 | 13 |
| Basic | 83 | 49 | 84 | 49 | 96 | 56 | 82 | 48 |
| Approaching Basic | 40 | 23 | 38 | 22 | 41 | 24 | 31 | 18 |
| Unsatisfactory | 17 | 10 | 23 | 13 | 14 | 8 | 29 | 17 |
| Total | 171 | 100 | 171 | 100 | 171 | 100 | 171 | 100 |

| District Achievement Level Results | English Language Arts | | Mathematics | | Science | | Social Studies | |
|------------------------------------|-----------------------|---------|-------------|---------|---------|---------|----------------|---------|
| | 2011 | | 2011 | | 2011 | | 2011 | |
| Students | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Grade 7 | | | | | | | | |
| Advanced | 16 | 9 | 4 | 2 | 2 | 1 | 3 | 2 |
| Mastery | 29 | 17 | 19 | 11 | 30 | 18 | 26 | 15 |
| Basic | 74 | 44 | 91 | 54 | 72 | 43 | 71 | 42 |
| Approaching Basic | 32 | 19 | 44 | 26 | 55 | 33 | 46 | 27 |
| Unsatisfactory | 18 | 11 | 11 | 7 | 10 | 6 | 23 | 14 |
| Total | 169 | 100 | 169 | 100 | 169 | 100 | 169 | 100 |

| District Achievement Level Results | English Language Arts | | Mathematics | |
|------------------------------------|-----------------------|---------|-------------|---------|
| | 2011 | | 2011 | |
| Students | Number | Percent | Number | Percent |
| Grade 8 | | | | |
| Advanced | | | | |
| Mastery | | | | |
| Basic | | | | |
| Approaching Basic | | | | |
| Unsatisfactory | | | | |
| Total | | | | |